Thursday, April 23, 1953

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

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THE PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

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Thursday, 23rd April, 1953

The House met at a Quarter Past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

STAFF CANTEENS ON RAILWAYS

*1552. **Shri Nambiar:** Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that staff canteens are provided in all Railway work Centres, Loco Sheds etc., and if not, why not;

(b) whether the canteens are run on aids by the Railway Administration; and

(c) whether complaints have been received about the working of these canteens in various places and if so, what improvements have been made in their working?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Staff canteens are provided in all railway establishments coming under the purview of Section 46 of the Factories Act 1948. Canteens are also provided in several other work centres where there are sufficient number of staff and canteens can successfully be run.

(b) Yes. The Railway Administrations provide and maintain the required accommodation on a nominal rental of Re. 1 p.m. Sanitary and electric installations, furniture and cooking utensils are also provided free of charge. The charges on account of service taxes and consumption of electricty and water are also borne by the Railway Administrations wherever necessary.

(c) Complaints of a minor nature are sometimes received from the staff either through the medium of Complaints Book, Canteen Committees or direct. These are looked into and suitable action taken.

Shri Nambiar: May I know whether it is a fact that several complaints are received, especially from the South Indian Railway about reduction in the quantity of foodstuffs supplied in the canteens?

Shri Shahnawaz Khan: As I have stated in my answer complaints are received and as they are received, they are disposed of on the merits of each complaint.

Shri Nambiar: May I know whether the Loco Sheds come under the purview of the Factories Act since the Act excludes operation of Loco Sheds?

Shri Shahnawaz Khan: Loco Sheds are also included. Besides, certain other workshops and railway yards are included.

Shri Nambiar: May I know whether all the Loco Sheds and all the work centres in India are now getting the benefit of these canteens or whether there are certain places where there are no canteens?

Shri Shahnawaz Khan: Although all of them cannot be getting the benefit, we are making every possible endeavour to extend the benefits to all of them.

Shri Nanadas: May I know whether any private agencies are running canteens?

Shri Shahnawaz Khan: No, Sir. All the canteens are being run by the Railway Administration or by co-operatives organised by the workers.

HILL ALLOWANCE

*1553. **Shri Nambiar:** Will the Minister of **Railways** be pleased to state:

(a) whether any Hill allowance or Jungle allowance is granted to Railwaymen working in Hill and Jungle areas;

(b) if so, whether any distinction is made between those working prior to March 1950 and after;

(c) the reasons for such distinction, if any; and

(b) whether representations have been received in this connection and if so, what action has been taken?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) The reply is in the affirmative. These allowances are granted on the same terms and conditions as are applied to other Central Government servants.

(b) and (c). No distinction has been made as a rule. On the Southern Railway, however, where the staff who were already in receipt of higher rates of hill allowances, while working on the Nilgiri Mountain Railway Section of the Southern Railway prior to 1st March 1950, and where the introduction of standardised rates entailed a reduction, the staff who were working from dates prior to 1st March 1950 were allowed, as a special case, to continue to draw higher rates as a personal privilege to them for so long as they continue to work on the Nilgiri Section. In respect of staff employed or transferred to that section on or after 1st March 1950, these rates have been equated to accord with the rates applied to staff of other Ministries.

(d) Some representations, including the hon. Member's, were received and have been replied to in suitable terms.

Shri Nambiar: May I know on what basis March 1950 is considered to be the date of standardisation and whether conditions before and after 1950 have been taken into consideration?

Shri Alagesan: The standardisation rates were introduced on that date. That date was taken to be the date for that purpose.

Shri Nambiar: May I know whether, in view of this standardisation, a large number of railwaymen on the South Indian Railway are losing?

Shri Alagesan: No, Sir. Those who were already in receipt of higher rates of allowances continue to receive them as a personal privilege. That I have already stated in my answer.

Shri Nambiar: May I know whether any sectional railwaymen who were previously receiving higher rates are suffering now due to this standardisation?

Shri Alagesan: As long as they continue to work on that particular section, they receive the higher rates provided they have been in receipt of these higher rates prior to 1st March 1950.

Shri Thanu Pillai: May I know how these salaries and wages compare with those of other Government servants in other departments?

Shri Alagesan: They have been brought on a level with the other departments.

Shri Punnoose: Am I to understand that due to this standardisation, nobody has suffered. Is it clear?

Shri Alagesan: I have already repeated several times that those who were already in receipt of these higher rates of allowances, provided they continue to work on that particular section, are even now in receipt of these higher rates of allowances.

Mr. Speaker: Prior to a particular date?

Shri Alagesan: Yes.

RAILWAY TICKET CITY BOOKING OFFICES

*1554. **Shri Sanganna:** Will the Minister of **Railways** be pleased to state:

(a) the number of Railway Ticket City Booking Offices in the Orissa State;

(b) whether they are Government-managed or Private-managed;

(c) if they are private-managed, what is the rate of commission allowed to them;

(d) whether any representations have been received by Government for the enhancement of the rate of commission; and

(e) if so, what is the decision thereon?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Two.

(b) One is departmentally run by the Railway and the other is worked by a private contractor.

(c) 2½ per cent. commission on the Eastern Railway share of the fares collected by the sale of tickets.

(d) No.

(e) Does not arise.

Shri Sanganna: May I know whether Government propose to open more booking offices?

Shri Shahnawaz Khan: I did not follow the question.

Mr. Speaker: Whether Government propose to open some more centres?

Shri Shahnawaz Khan: No, Sir.

Shri Nanadas: May I know what is the advantage gained by giving these booking offices to private agencies?

Shri Shahnawaz Khan: We are saved the trouble of opening our own offices.

Mr. Speaker: What he means is that they will save the costs incuured in opening new offices.

Shri Kelappan: What is the commission allowed in other railways for private agencies?

Shri Shahnawaz Khan: I shall require notice.

Shri S. C. Samanta: May I know whether buses are attached with these private agencies and if so whether any commission is taken by the Railway from the fares of these buses?

Shri Shahnawaz Khan: I shall require notice for this too.

EPIDEMICS IN SCHEDULED AREAS

*1555. **Shri Sanganna:** Will the Minister of **Health** be pleased to state whether the State Governments have approached the Centre for any help to supplement their resources to check epidemics in their scheduled areas during the last five years?

The Minister of Health (Rajkumari Amrit Kaur): Some of the State Governments approached the Government of India for arranging supplies of caccines during the last fivee yeras. Necessary arrangements were promptly made in every instance.

Shri Sanganna: May I know the number of deaths that occurred in each of the last five years on account of cholera, small-pox and other diseases?

Mr. Speaker: I think it is better to call for a statement. It is difficult to give a list containing statistics.

Rajkumari Amrit Kaur: I have not got the figures. If the hon. Member wants the information, I can collect it and give it to him.

अम्बरी फलकाता और सिल्लीगुड़ी स्टेशनों के बीच इंजन का पटरी से उतरना

*१५५८. **श्री रघुनाथ सिंह :** क्या रेल मंत्री यह बतलाने की कृपा करेंगे :

(क) क्या यह तथ्य है कि १३ मार्च, १९५३ को अम्बरी फलकाता और सिल्ली गुड़ी स्टेशनों के बीच गोहाटी से २५० मील दूर, उत्तर-पूर्वी रेलवे (पुंडरिजन) की सिल्लीगुड़ी हल्दी बाड़ी शाखा की पैसेंजर गाड़ी का एक इंजन पटरी से उतर गया था ;

(ख) यदि हां, तो उतरने के क्या कारण थे; तथा

(ग) कितने व्यक्ति घायल हुए और रेलवे को कितने रुपयों का नुकसान हुआ ?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Yes. At about 20-36 hours on 13th March 1953, the engine of 287 Up passenger train derailed and capsized at mile 4/22 between Ambari Falakata and Siliguri Town stations. The site of the accident is about 270 miles from Gauhati.

(b) The derailment was the result of the collision of the train with a wagon which; byown away by a strom from Siliguri Town station yard, had come to a stop at mile 4/22 on the section between Ambari Falakata and Siliguri Town.

(c) Two persons, including the Driver of the train who died subsequently in the hospital, were injured grievously and three others received simple injuries. The approximate cost of damage to Railway property was Rs. 6,100.

श्री रघुनाथ सिंह : यह रिलीफ ट्रेन कितनी देर के बाद वहां पर आई ?

श्री शाहनवाज खां : रिलीफ ट्रेन १४ तारीख की रात को १२ बज कर ५० मिनट पर पहुंच गई ।

श्री रघुनाथ सिंह : एक्सीडेन्ट के कौ घंटे बाद ?

श्री शाहनवाज खां : करीबन चार घंटे बाद ।

Mr. Speaker: Order, order; Will one of the hon. Members sit down? Now, the Minister may reply to the question.

Shri Shahnawaz Khan: It just took about four hours.

श्री रघुनाथ सिंह: इतनी देर क्यों हुई ?

श्री शाहनवाज खां : क्योंकि रिलीफ ट्रेन को जहां एक्सीडेंट हुआ था उस जगह दूर से आना था ।

Mr. Speaker: We will go to the next question.

JEEPABLE AND MOTORABLE ROADS IN MANIPUR

*1562. **Shri Rishang Keishing:** Will the Minister of **Transport** be pleased to state:

(a) the names and the mileage of jeepable and motorable roads built by both the Allied and Japanese Forces in Manipur during the World War II;

(b) whether Government maintain any of these roads and if so, what is the mileage and what is the cost of maintenance; and

(c) the mileage of roads which are not maintained by Government and the reasons thereof?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) and (b). No roads were constructed by the Japanese Forces in Manipur during World War II. A statement containing the information required in respect of roads constructed by the Allied forces is laid on the Table of the House. [*See* Appendix X, annexure No. 10.]

(c) Nil, but some of the roads are being maintained by Government as bridle paths only, as indicated in the last column of the statement.

Shri Rishang Keishing: May I know whether the Government have any scheme to convert these jeepable roads into all weather motorable roads in the near future?

Shri Alagesan: It will depend upon the particular roads. The statement gives all the information that we have at the moment.

Shri Rishang Keishing: Are the Government aware that the Shang Shak-Humine road is the most important of all the jeepable roads on account of the fact that it connects Upper Burma and is still used as the supply line to the frontier military outposts and if so, may I know what action Government will take to maintain this jeepable road?

Shri Alagesan: There is a programme for the construction of roads and improvement of them. I do not have the particulars here.

COMPENSATORY ALLOWANCE TO CIVIL AVIATION EMPLOYEES AT BEGUMPET

*1563. **Shri Vittal Rao:** (a) Will the Minister of **Communications** be pleased to state the reasons for not granting compensatory allowance to the employees of Civil Aviation at Begumpet, Hyderabad State?

(b) Are Government aware of the fact that the place of work falls within municipal limits of Secunderabad?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Compensatory allowance is already admissible to such of the non-gazetted staff posted at the Begumpet aerodrome as are not residing at the aerodrome. The question of granting the allowance to the staff residing at the aerodrome was also under consideration for some time past and it has now been decided that they should be granted this allowance with effect from the 16th January, 1950.

(b) Yes, a major portion of the aerodrome lies within the extended limits of the Secunderabad Municipality.

Shri Vittal Rao May I know if they have been paid already?

Shri Raj Bahadur: I said we have taken a decision that allowances will be paid with effect from 16th January 1950.

Shri Nambiar: May I know why it was decided to pay from 16th January 1950 and not earlier?

Shri Raj Bahadur: Before the aerodrome was shifted from Hakimpet to Begumpet, they were getting compensatory allowances, and house rent allowance. Though it was shifted to Begumpet, they continued to get these allowances until as late as 31st March 1952. Then it was made known that it does not lie within the municipal area. The municipal area was later extended and therefore we have backdated to that extent.

Shri Punnoose: While it is clear that their grievances have been real, will that decision be put into effect with retrospective effect?

Mr. Speaker: Order, order. Whatever they have decided, they will put into effect. Next question.

GODOWN AT FEROZPORE

*1564. **Shri K. P. Sinha:** (a) Will the Minister of **Food and Agriculture** be pleased to state whether it is a fact that foodgrains stored in Government depot at Ferozpore District have decayed?

(b) Is it a foct that foodgrains in the depot are insect-eaten and mixed with stones?

(c) Have Government received any complaint with regard to foodgrains stored in Ferozpore District?

(d) If so, what steps have Government taken in this direction?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): (a) to (c). It is not a fact that the foodgrains stored in Government depot, in Ferozpore district have decayed. A few facts are however briefly given in a statement placed on the Table of the House.

(d) Instructions have been issued that grain containing dirt or high percentage of weevilling should be cleaned before issue.

STATEMENT

The Central Government have their depot at Kasu Begu near Ferozpore and the stocks in February 1953 were 33,800 tons. The State Government stocks in the District in February 1953 were 14,655 tons. Due to methods of disinfestation and fumigation the damage by insects has been kept under check, but even then in some stock there has been slight weevilling of grain. Only one complaint was received from Himachal Pradesh Government with respect to supplies to Mandi where it was reporteed that a quantity of 20 tons was heavily weevilled and six bags contained dirty grain due to the presence of chaff, dust and stone. 400 tons were lifted by Himachal Pradesh Government from Kasu Begu in January 1953 out of which 91·6 tons went to Mandi. From depot records, however, it is observed that the percentage of weevilled grain supplied to Mandi ranged from 1 to 5·2 per cent. The representative of Himaohal Pradesh Government was present at the time despatches were made and he raised no objection.

Shri K. P. Sinha: Is it a fact that a sample of this wheat was produced before the Government of India and it was verified whether the sample contained sand and insects?

Shri M. V. Krishnappa: In each depot, there will be some officials in charge of it and there will be an entomologist attached to it. They will be in charge of these samples and they will verify whether they are up to the specifications given.

Shri K. P. Sinha: My question is whether on receipt of the sample, it was verified as to whether there were insects or stones in the grains?

Shri M. V. Krishnappa: I do not know who sent the sample from Ferozepore. We had supplied 400 tons of wheat to Himachal Pradesh. Two months after the supply, there was a complaint lodged by the Himachal Pradesh Government that out of the 90 tons of wheat supplied to Mandi district, about 20 tons was highly weevilled. When that wheat was supplied, there was a representative of the Himachal Pradesh Government on the spot and he had no objection. Only two months after the supply an objection was raised.

Shri K. P. Sinha: May I know whether it was foreign wheat or wheat procured in this country?

Shri M. V. Krishnappa: Mostly imported wheat.

Shri M. S. Gurupadaswamy: The Minister said just now that instructions have been issued that not more than 5 per cent. mixture of mud and stones should be there. Does it not follow that there can be a mixture of 5 per cent.?

Mr. Speaker: Order, order. I do not think it needs a reply at all.

Shri M. V. Krishnappa: I did not say so.

Shri Nanadas: May I know the structure of the godowns? Is it of concrete, or is it thatched, or it is of corrugated iron sheets?

Shri M. V. Krishnappa: Wherever we have built godowns, we have built them rat-proof, insect-proof, damp-proof, everything. Whenever we have to go in for additional accommodation we cannot insist on all these things.

Mr. Speaker: We will go to the next question.

Shri Nanadas: I want to know about the particular godown.

Mr. Speaker: Whatever it may be, he has given the answer.

Shri Nambiar: Still rats get in.

Mr. Speaker: Everything cannot be absolutely fool-proof.

Shri Raghuramaiah: I wanted to know whether it is also fool-proof.

Mr. Speaker: I just now said it cannot be like that.

TAMENGLONG MOTOR ROAD

*1565. **Shri Rishang Keishing:** Will the Minister of **Transport** be pleased to state:

(a) the progress so far made in the Tamenglong Motor Road and the time by which the road is contemplated to be completed;

(b) the estimated cost involved to complete the road;

(c) whether any scheme has been drawn up to construct motorable roads in any part of the hills of Manipur during the year 1953-54;

(d) whether Government propose to construct a motorable road between Imphal and Ukhrul; and

(e) if so, when?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Only the first section of the road (26 miles) has been taken up under the current five year plan. A 10 ft. wide formation has been completed in about 21 miles of this Section. Widening this to 16 ft. and construction of slab drains are in progress. This section is expected to be completed by 1956. Construction of the second section (50 miles) will be taken up after completion of the first section.

(b) About Rs. 75 lakhs.

(c) Yes. Three roads viz. Imphal-Tamenglong - Churachandpur - Tiddim, and Tadabi-Tungjoi roads are being made motorable.

(d) and (e). There is already a motorable road from Imphal to Litan on the way to Ukhrul, while the road from Litan to Ukhrul can be negotiated by cars with a little difficulty. A motorable diversion for Litan-Ukhrul section is being investigated.

Shri Rishang Keishing: May I know the amount of money spent by the Government so far on these roads?

Shri Alagesan: On the first road so far 3·7 lakhs have been spent.

Shri Rishang Keishing: May I know whether there has been a dearth of labourers as a result of the rise in prices in Manipur and the refusal of the contractors to pay reasonable wages to the labourers, and whether the said factors have affected the progress of the road?

Shri Alagesan: Yes, there were certain set backs on account of scarcity and high prices prevailing there. Also the monsoon intervened and the work could not be carried on. But, now the work is in progress.

Shri Rishang Keishing: May I know whether the Litan-Ukhrul road, about 25 miles long, the hill cutting of which was almost completed and on which the Government had spent about 1 lakh of rupees prior to the integration of the State, has been neglected by the present Government and if the reply be in the affirmative, what action the Government will take to complete it?

Shri Alagesan: These roads are being constructed by the Assam P.W.D. Between Ukhrul and Litan, they are now investigating a new diversion. As regards the amount spent on the road that has been abandoned, as my hon. friend says, I should like to have notice.

Shri Rishang Keishing: Are Government aware that an all-weather motorable road between Imphal and Ukhrul is indispensable on account of Ukhrul being the most important and the biggest in area and population of all the sub-divisions in Manipur?

Shri Alagesan: Yes, Sir. There is now a motorable road between Imphal and Litan on the way to Ukhrul. This is about 23 miles long.

Shri N. M. Lingam: May I know if the road is classified as a provincial highway or a national highway, and if it is both, the mileage in each category?

Shri Alagesan: I should like to have notice.

MAIL TRAIN SERVICE BETWEEN AJMER AND UDAIPUR

*1566. **Shri Bheekha Bhai:** (a) Will the Minister of **Railways** be pleased to state whether there is any proposal to run Mail train service between Ajmer and Udaipur?

(b) If so, when?

(c) If not, do Government propose to attach more direct carriages from Ajmer to Udaipur?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) No.

(b) Does not arise.

(c) No.

Shri Bheekha Bhai: May I know, Sir, whether any official or non-official representation has been made in this regard?

Shri Shahnawaz Khan: We have received some sort of representation, but we do not think there is any justification for it.

Shri Bheekha Bhai: May I know, Sir, whether it is a fact that no accommodation is available to the third class and inter class passengers in the direct carriages from Ajmer to Udaipur?

Shri Shahnawaz Khan: We are not aware of that, Sir.

Mr. Speaker: Next question. Shri Raghunath Singh.

The hon. Member should not change his seat. I looked at the seat where he was sitting.

An Hon. Member: He was just trying to get there.

प्रशिक्षण संस्था, काशी

*१५६७. श्री रघुनाथ सिंह : क्या श्रम मंत्री यह बतलाने की कृपा करेंगे कि :

(क) क्या सरकार काशी विश्वविद्यालय के श्रम विभाग द्वारा दिए गए शिल्पिक प्रशिक्षण के प्रमाण पत्रों को मान्यता देती है ; तथा

(ख) क्या यह तथ्य है कि शिक्षा मंत्रालय उक्त प्रमाणपत्रों को मान्यता नहीं देती ?

The Minister of Labour (Shri V. V. Giri): (a) At this training Centre training is imparted in the trades of Draftsman (Civil and Mech.); Electrician; Lineman and Wireman; Mechinist; Fitters; Mechanic I. C. Engines, Moulder; Turner; Overseer and Mechanic (Steam). The Governments of Assam, Bihar, Madhya Pradesh, Orissa and Himachal Pradesh have recognised the certificates granted by the Ministry of Labour in the above trades, whereas the Governments of Punjab, Bombay and Madras have recognised the certificates in some trades. The question of the recognition by other State Governments of the certificates granted by the Ministry of Labour is being pursued.

(b) No; the Ministry of Education have already recognized certificates in the trades of Draftsman (Civil and Mech.). The question of recognition of certificates in other trades is under consideration.

श्री रघुनाथ सिंह : क्या सरकार को यह ज्ञात है कि यू० पी० सरकार ने इस डिग्री को मान्यता देने से इंकार किया है ?

Shri V. V. Giri: I should like to have notice of that.

श्री रघुनाथ सिंह : क्या सरकार को यह ज्ञात है कि इस संस्था द्वारा पास हुए स्टूडेंटस बहुत से स्थानों पर गये लेकिन उनको इस वास्ते सर्विस नहीं दी गयी कि उस डिग्री की मान्यता नहीं है ?

Shri V. V. Giri: I should like to take the information from the hon. Member, and I shall certainly pursue the question.

Shri L. N. Mishra: May I know the subjects in which the training is imparted?

Shri V. V. Giri: I have read it just now.

श्री पी० ऐम० राजभोज : क्या मैं जान सकता हूं कि सरकार दूसरे विश्वविद्यालयों की डिग्रियों को मान्यता देती है ?

Shri V. V. Giri: I am sorry I have not got the information here. I shall certainly supply the hon. Member.

Shri Nanadas: May I know the reasons advanced by the State Governments for the non-recognition of some of the trade certificates?

Shri V. V. Giri: From their point of view most probably the training received is not satisfactory. I may assure the House that the Shiva Rao Committee is going into all these matters, and they will give us the benefit of their advice.

Passenger Train between Pilibhit and Shahjahanpur

*1568. **Shri M. L. Agrawal:** (a) Will the Minister of Railways be pleased to state whether any representations have been made to the Railway Authorities to restore the pre-war third passenger train on the metre gauge line of the North Eastern Railway between Pilibhit and Shahjahanpur Stations?

(b) If so, do Government propose to restore the said train at the earliest?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Yes.

(b) From 16th April 1953, an additional train has been introduced between Pilibhit and Bisalpur, which will be extended to and from Shahjahanpur when rolling stock can be made available.

DELHI MAIL MOTOR SERVICE

*1569. **Shri Punnoose**: Will the Minister of **Communications** be pleased to state:

(a) whether it is a fact that the Delhi Mail Motor Service has suffered a loss of nearly one lakh of rupees;

(b) if so, whether any enquiry has been held; and

(c) whether Government propose to lay on the Table of the House the results of the enquiry?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) No, Sir.

(b) and (c). Do not arise.

Shri Punnoose: May I know whether there is a proposal before the Government to hand over this service to contractors?

Shri Raj Bahadur: No, Sir.

Sardar A. S. Saigal: May I know what is the cost of running the mail motor service per mile?

Shri Raj Bahadur: It is Re. 0-9-9.

Sardar A. S. Saigal: May I know on what basis the mail motor service is run—on profit or loss?

Shri Raj Bahadur: It is to provide service to carry mails. That is all.

Shri Punnoose: May I know when this service was taken over from the contract system, and will the Minister be pleased to state the comparative cost when it was handled through the contractor and for the first year when it was handled by the Department?

Shri Raj Bahadur: It was taken over as early as 15th December 1947 when the service run by the contractor almost broke down. The comparative cost at that time and this time I can say, Sir, with confidence is much less, but what it cost the contractor must be known to the contractor.

Mr. Speaker: What he means is cost to the Government of carrying mails.

Shri Raj Bahadur: I would require notice for that specific question, but I can say it is running quite cheaply as compared to other stations where we have got it, *viz.*, Calcutta, Bombay, Nagpur and Amritsar. The cost per mile there is:

Calcutta	..	0—12—6
Bombay	..	0—12—1½
Nagpur	..	0—11—8
Amritsar	..	0—13—8

As compared to this, at Delhi we have got Re. 0-9-9.

Shri Punnoose: Is it a fact that the officer who was in charge of this service is now on compulsory leave?

Mr. Speaker: Order, order: I do not think I should allow this question.

PRODUCTION OF SUGAR

*1570. **Shri K. P. Sinha**: (a) Will the Minister of **Food and Agriculture** be pleased to state whether it is a fact that the production of sugar this year has fallen?

(b) What are the reasons for the same?

(c) What steps are Government taking to reach the target?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) The production of sugar during the current season is estimated at about 13 lakh tons as against 14·97 lakh tons during 1951-52 season and 11·16 lakh tons in 1950-51. The 1951-52 season was however, an abnormal one when due to bumper crop and low prices of *gur* there was a considerable diversion of cane from *gur* to sugar manufacture. Excluding 1951-52 season, the production during the current season will be more than in any of the 8 preceding seasons.

(b) The reasons for fall in production are:—

(1) decrease in area under cane crop;

(2) diversion of cane in factory zones to *gur* production owing to relatively high prices of *gur*;

(3) number of sugar factories working during the current season is 134 as against 141 in 1951-52; and

(4) factories started crushing late by about three weeks.

(c) Five Year Sugarcane Development Schemes are being extended to

all important sugar producing States for a further period of three years with the object of increasing yield of cane per acre and its sucrose content.

Shri K. P. Sinha: May I know whether this fall in production is a general feature prevailing in all centres of sugar production, or localised at certain places?

Dr. P. S. Deshmukh: It is more marked in U.P.

Pandit D. N. Tiwary: May I know whether this fall in production is due to the lowering of the prices of sugarcane to an uneconomic level?

Dr. P. S. Deshmukh: I do not think so, Sir, because when the prices were lowered, the sugarcane crop was already cultivated and standing in the fields.

Pandit K. C. Sharma: Is it a fact that the fall in the sugarcane production is due to the deterioration of the cane on account of sugarcane pest?

Dr. P. S. Deshmukh: There has not been such a good crop in many places, but I do not think it is due to any pest. It was more due to less and timely rain.

Dr. Ram Subhag Singh: Has any increase been marked in the production of *gur* this year as compared to last year?

Dr. P. S. Deshmukh: Yes, Sir. There is a considerable increase in *gur* production because of higher prices of *gur*.

Shri S. N. Das: May I know, Sir, whether there has been any increase in the yield per maund of sugarcane?

Dr. P. S. Deshmukh: I have not got the figures here, Sir. I would like to have notice.

Shri Nanadas *rose*—

Mr. Speaker: The hon. Member is putting questions on every question. I do not think he is right in doing that.

Shri Sarangadhar Das: May I know, Sir, if it is a fact that the percentage of recovery has gone up from 9 points something to 10·15 or thereabouts?

Dr. P. S. Deshmukh: I have not got the figures here. I could not say. Probably my hon. friend is right.

Sardar A. S. Saigal: I would request you, Sir, to take up question No. 1571. Mr. Jangde is ill and is not able to be present.

Mr. Speaker: Question No. 1571—Mr. Jangde. Well, we will consider it at the end. Next question.

PURCHASE OF RAILWAY STORES

***1573. Shri Bansal:** Will the Minister of **Railways** be pleased to state whether adequate consideration is being given for finding supplies in the country at the time of purchasing stores for his Ministry from abroad?

The Deputy Minister of Railways and Transport (Shri Alagesan): Yes, provided that the stores can be delivered in the period during which they are actually wanted and the quality is good enough for the purpose for which they are required.

Shri Bansal: Is it a fact that in America there is an Act under which every government department has to purchase American goods even if the cost price is 25 per cent. higher than that of the imported goods?

Shri Alagesan: I take that information from the hon. Member.

CONSTRUCTION AND MAINTENANCE OF ROAD

***1574. Shri K. C. Sodhia:** (a) Will the Minister of **Transport** be pleased to state whether the agency at their disposal for the maintenance and construction of roads and bridges is C.P.W.D. or any other organisation?

(b) Is there any dual control of C.P.W.D. by Transport and Works, Housing and Supply Ministries?

(c) Which of the two Ministries controls the C.P.W.D.?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Road works under the control of the Ministry of Transport are generally executed through the agency of the State Public Works Departments and the Central Public Works Department. A few works have been entrusted to other agencies such as the Central Water and Power Commission and the Railways. The work entrusted to the Central Public Works Department does not amount to a large percentage of the total.

(b) No.

(c) The Ministry of Works, Housing and Supply.

Shri K. C. Sodhia: How is the arrangement of the staff made between these two Ministries?

Shri Alagesan: Sir, the Public Works Department executes this work. The staff of the Public Works Department—either State or Central—execute the work.

CONSTRUCTION OF BRIDGES AND ROADS IN MADHYA PRADESH

*1575. **Shri K. C. Sodhia:** Will the Minister of **Transport** be pleased to state:

(a) whether any new bridges or roads are going to be constructed in Madhya Pradesh by the Central Government during the next three years; and

(b) whether the Central Government have received any representation in this connection?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Yes. A statement containing a list of such works is placed on the Table of the House. [*See* Appendix X, annexure No. 11.]

(b) Only one representation has been received, from a Member of Parliament which is at present under examination.

Shri K. C. Sodhia: In the statement under serial No. 9, there are 4 bridges to be constructed. Now, has the construction of any of them begun or is likely to begin during this year?

Shri Alagesan: Regarding the progress of each work, listed, I should like to have definite notice.

Shri N. M. Lingam: May I know, Sir, if the works are financed from the Central Road Fund or from any other source?

Shri Alagesan: They are financed from Central Revenues.

Shri K. G. Deshmukh: May I know, Sir, the expenditure which will be incurred on these works during the year?

Shri Alagesan: 135 lakhs.

Shri K. G. Deshmukh: Is the State Government contributing something towards it?

Shri Alagesan: No, Sir.

PADDY AND WHEAT GROWN BY *Krishi-Pandit*

*1576. **Shri Jhulan Sinha:** (a) Will the Minister of **Food and Agriculture** be pleased to state the quantity of paddy and wheat grown by the *Krishi-Pandits* to whom prizes were last given?

(b) How does that quantity compare with the quantity of paddy grown by the Japanese method and that of wheat grown by the W. S. American method?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) The yields of paddy and wheat of the *Krishi Pandits* for 1951-52 were:—

1. Paddy 11,202 lbs. (dry)per acre
2. Wheat 5,891 lbs. " "

(b) In experiments conducted at the Agricultural School Farm at Kosbad, Bombay, an yield of over 6,000 lbs. of paddy per acre was obtained. It is not known what the abbreviation 'W.S.' stands for. It is, therefore, not possible to say if this method of growing wheat is practised in India.

Shri Jhulan Sinha: May I know, Sir, in view of the large quantity of paddy grown under the Indian method, what is the charm in adopting methods of foreign countries?

Dr. P. S. Deshmukh: Sir, my friend is quite wrong in thinking that we have been getting, on the average, the yields that we get according to the Japanese method.

डा० राम सुभग सिंह : क्या इन कृषि पंडितों द्वारा अधिक मात्रा में अन्न उपजाने वाले तरीकों का प्रचार जनता में किया जायगा ?

डा० पी० एस० देशमुख : जी हां इस की तरफ खास तौर से ध्यान दिया गया है और जो भी तरीके उन्होंने अख्त्यार किये हैं उन को काफी पब्लिसिटी दी गई है ।

Shri T. K. Chaudhuri: How does the cost of paddy and wheat grown by the *Krishi Pandits* compare with the costs under the Japanese method and the usual method employed in our country?

Dr. P. S. Deshmukh: Sir, we have not entered into any comparison, but every cultivator who pays more attention to cultivation has to incur a little more towards expenditure.

Mr. Speaker: Order, order.

श्री विभूति मिश्र : कितने एरिये में यह धान पैदा किया गया है और कितने एरिया में गेहूं पैदा किया गया है ? और जो धान पैदा किया गया है वह कौन सा है ?

डा० पी० एस० देशमुख : धान की पैदाइटी तो देसी ही है। जहां जहां पर कम्पिटीशन में हिस्सा लिया गया है वह बहुत बड़ा एरिया है और अलग अलग फिगर्स बतलाना मुश्किल है।

Shri T. S. A. Chettiar: What is the normal average production per acre in India?

Dr. P. S. Deshmukh: If my friend refers to paddy, then in Coorg itself it was about 1,800 lbs., as against the *Krishi Pandit's* record of 11,202 lbs.

Shri Achuthan *rose*—

Mr. Speaker: Order, order. Let us go to the next question.

R. M. S. GROUND AT SERAMPORE

*1579. **Shri S. C. Samanta:** (a) Will the Minister of **Railways** be pleased to state whether the Chairman of the Serampore Municipality has submitted any memorandum to the Minister regarding the transfer of R. M. S. ground at Serampore to the Municipality in exchange?

(b) If so, when are Government going to take final decision in the matter?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Yes.

(b) The proposals made by the Municipality are under examination and a decision in the matter will be reached as soon as possible.

Shri S. C. Samanta: Is it a fact, Sir, that the Municipality has offered 4 *bighas* of land for this ground and the Railway Board is demanding 8 *bighas*?

Shri Shahnawaz Khan: It is a fact, Sir, that the Municipality has offered us an alternative site in lieu of the site they wish to take over. But the site that they have offered was not found suitable. The matter is still under consideration and the offer of the Municipality has been referred to the General Manager, Eastern Railway. As soon as we receive his reply, we shall be able to decide.

Shri S. C. Samanta: Is it not a fact that the Railway Board first wanted only 4 *bighas* of land, but now they are demanding 8 *bighas*?

The Deputy Minister of Railways and Transport (Shri Alagesan): It is not a question of the railway wanting 4 *bighas* or 8 *bighas*. The alternate site offered by the Municipality was far away and the amenities which the town enjoys were not available there. So we rejected that site.

Shri S. C. Samanta: May I know, Sir, whether the Municipality has offered to sell the land which is not suitable for the railway and deposit the money thereof?

Shri Alagesan: That is the latest proposal. It is under consideration.

CHOLERA

*1580. **Shri S. C. Samanta:** Will the Minister of **Health** be pleased to state:

(a) whether it is a fact that according to a statistical study of the W.H.O. the world's worst centres of epidemic or persistent cholera are found in the Deltaic regions of Bay of Bengal;

(b) if so, whether Government have any record of the prevalence of cholera epidemics in Mahishadal and Tamluk Thanas in the District of Midnapur in West Bengal;

(c) how many times and in which places in those areas cholera epidemics broke out in 1952-53;

(d) what are the special steps taken by the Central Government; and

(e) what are the kinds of treatment available to the people of the localities in time of epidemics?

The Minister of Health (Rajkumari Amrit Kaur): (a) The most important cholera endemic areas in India according to the study are:—

(1) The Gangetic Delta in Bengal;

(2) A small area associated with the Ganges and its tributaries in Bihar;

(3) The Mahanadi Delta in Orissa;

(4) The Krishna and Cauvery Deltas in the South;

(b), (c) and (e). Information is being collected and will be laid on the Table of the House in due course.

(d) All steps to combat disease are the responsibility of the State Government. The Central Government's aid and guidance if asked for are always available.

Shri S. C. Samanta: May I know, Sir, whether either the Central Government or the State Governments have got any record about the treatment of cholera in these places and may I know also whether treatments by other systems than the modern

system of medicine are more useful there?

Rajkumari Amrit Kaur: Sir, I have no statistics about systems of medicine other than the modern system of medicine, and what are the results according to those treatments. I can say without doubt that the treatment for cholera according to the modern system of medicine definitely prevents the spread of cholera whenever there is an epidemic.

Shri S. C. Samanta: May I know whether the W.H.O., after their statistical study of cholera epidemics in the world, has offered any help to these places where the epidemics occurred in increasing numbers?

Rajkumari Amrit Kaur: Sir, W.H.O. cannot offer help in this direction because we are perfectly well aware of what to do when epidemics occur. But, the W.H.O. has appointed an expert Study Group for cholera which is carrying on work in collaboration with the Government of India and the Indian Council of Medical Research.

Shri S. C. Samanta: Has the attention of the Government of West Bengal been drawn to these facts by the Central Government, to take special care of these places?

Rajkumari Amrit Kaur: Yes, Sir. A report is in their possession.

Shri Nanadas: May I know whether the Central Government have given any instructions to the State Governments to take effective steps to prevent these diseases in deltaic areas; and, if so, what are the reactions of the State Governments?

Rajkumari Amrit Kaur: The State Governments are in possession of what knowledge the Central Government has. Very great attention to environment and sanitation alone will provide a permanent measure for the control of cholera and the State Governments are aware of this.

AIR FARE FROM DELHI TO BANGALORE

*1581. **Shri S. V. Ramaswamy:** (a) Will the Minister of **Communications** be pleased to state whether the distance by plane from Delhi to Bangalore *via* Hyderabad is shorter than the distance from Delhi to Madras?

(b) Is the fare to Bangalore higher than that to Madras?

(c) If so, why?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Yes, Sir.

(b) Yes, Sir.

(c) Fares are fixed by the Company on the basis of various economic factors. Maximum and minimum limits of fares are prescribed by the Air Transport Licensing Board. Rates not falling within these limits have to be specifically justified to the Air Transport Licensing Board.

The service between Delhi-Bangalore is not direct. In constructing fare for Delhi-Bangalore, the fares for the component sectors, namely, Delhi-Hyderabad and Hyderabad-Bangalore, are to be taken into consideration. Considerations governing fares for the two component sectors naturally differ.

Shri S. V. Ramaswamy: What is the difference in fare, Sir?

Shri Raj Bahadur: It is Rs. 217 for the Delhi-Hyderabad-Bangalore route and Rs. 191 for the Delhi Madras direct service.

Mr. Speaker: Is it worth while to pursue this question when the Air Corporations Bill is there?

Shri S. V. Ramaswamy: Is the Government aware that the Delhi-Bangalore route brings Salem and Coimbatore nearer.....?

Mr. Speaker: When the Air Corporation Bill is going to be taken up shortly, it would be the duty of the Government to decide these things. I do not think we need go into all these details now. We will have ample opportunities to discuss these later on.

SALTANPUR-JAFRABAD RAILWAY LINE

*1582. **Shri Ganpati Ram:** Will the Minister of **Railways** be pleased to state:

(a) whether survey of Saltanpur-Jafrabad Railway line has been completed;

(b) if so, the expenditure incurred so far on the survey programme;

(c) whether the reconstruction work has started;

(d) if so, the progress made so far; and

(e) the strength of staff engaged in the survey of the same?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Yes.

(b) Rs. 18,000 approximately.

(c) Not yet. Preliminary arrangements such as collection of material are in hand.

(d) Does not arise.

(e) One Inspector of works and four Assistant Inspectors with the usual complement of *Khalasis* and Class IV staff.

Shri Ganpati Ram: May I know how long it will take to complete the survey work?

Shri Shahnawaz Khan: The survey work has almost been completed.

Shri Ganpati Ram: May I know whether there is any time limit to complete the reconstruction work of the line for the full operation of the transport service?

Shri Shahnawaz Khan: Although no time limit has been fixed, we have allotted very substantial sums of money and we hope that by the end of this year we shall have made very substantial progress.

Pandit D. N. Tiwary: May I know, Sir, whether Government has any definite plan on an all-India basis or is it done otherwise?

The Deputy Minister of Railways and Transport (Shri Alagesan): It is done on a planned basis, Sir.

LADY HARDINGE MEDICAL COLLEGE

*1571. **Sardar A. S. Saigal (on behalf of Shri Jangde):** Will the Minister of **Health** be pleased to state:

(a) whether it is a fact that out of the 40 seats filled every year in the Lady Hardinge Medical College, New Delhi, no seat is reserved for persons belonging to Scheduled Castes; and

(b) if so, whether Government propose to reserve seats to Ssheduled Castes candidates in the Lady Hardinge Medical College also?

The Minister of Health (Rajkumari Amrit Kaur): (a) Although no specific reservation of seats for Scheduled Castes students has been made the Selection Committee, while making selections, gives due consideration to such applicants.

(b) The Governing Body of the Lady Hardinge Medical College and Hospital will be asked to consider the question of making such a reservation at the College at its next meeting.

सरदार ए० एस० सहगल : क्या मैं जान सकता हूं कि उस केन्द्र से भरती होने के लिए किसी भी शिड्यूल्ड कास्ट कैंडीडेट की दरखास्त आयी है ?

राजकुमारी अमृत कौर : मैं ने कोई पांच ६ साल के आंकड़े देखे थे और उन में मैं ने बहुत कम शिड्यूल्ड कास्ट की लड़कियों की दरखास्तें देखी हैं । बात यह है कि हमें यहां पर ऐसी लड़कियां लेनी पड़ती हैं कि जिनके इम्तिहान में एक खास स्टैंडर्ड तक मार्क आयें । लेकिन वहां तक हमारी शिड्यूल्ड कास्ट की लड़कियां नहीं पहुंच पातीं । यह मेरी मुश्किल है ।

सरदार ए० एस० सहगल : क्या मैं प्रार्थना कर सकता हूं कि जिस वक्त शिड्यूल्ड कास्ट की लड़कियां आवें तो उन के साथ एक खास रियायत की जाय और जो प्रतिबन्ध दूसरों पर लगाया जाता है उन पर न लगाया जाय ।

राजकुमारी अमृत कौर : जनाब यह बहुत मुश्किल है क्योंकि अगर उसका स्टैंडर्ड काफी नहीं होगा तो वह लड़की खुद नहीं पढ़ सकेगी ।

श्री पी० एन० राजभोज : कहां कहां कौन कौन से मैडीकल कालिजों में शिड्यूल्ड कास्ट के कैंडीडेट्स के लिए रिजरवेशन किया गया है ?

Mr. Speaker: This question is much wider than the scope of the original question.

श्री पी० एन० राजभोज : १९५२-५३ में शिड्यूल्ड कास्ट के कैंडीडेट्स की कितनी अर्जियां आयी हैं ?

राजकुमारी अमृत कौर : मैं इस वक्त इसका जवाब नहीं दे सकती हूं । मैं पता लेकर आप को बतला सकती हूं ।

Kumari Annie Mascarene: May I know, Sir, why in this institution, when qualified Indian hands are available, an American expert was engaged?

Mr. Speaker: I think it also goes beyond the scope of the question.

Shri B. S. Murthy: May I know how many Schedule Caste students are there at present in this college?

Rajkumari Amrit Kaur: I have not got the figures with me, Sir.

Shri Punnoose: May I know whether the Governing Body takes stock of the different standards of the Universities from which the applicants come when the selection is made.

Rajkumari Amrit Kaur: Yes, Sir, that is done.

Shri Nambiar: Sir, Q. No. 1577 is an important question.

Mr. Speaker: Order, order. 1577 is transferred to another date.

The question list is practically over.

Shri Damodara Menon: May I make a suggestion. A large number of Members who have tabled questions are absent. Will you consider the desirability of allowing a little more time for supplementaries?

Mr. Speaker: I think it is not possible for me to accept that suggestion for the simple reason that when the House is once tuned to quickness, relevancy, shortness and pointedness of questions, all that will be gone, if I allow more supplementaries on each question. So, it is not a question of mere adjustment of time. There are many occasions on which a number of questions go unanswered, and it is in the interests of the House as a whole to cover a larger number of questions rather than to have a larger number of supplementaries asked on each particular question. Hon. Members should try to cover as much ground as possible, and if they are not satisfied or if they want any further information, the best course is to table further questions on the basis of the information supplied.

श्री आर० ऐस० तिवारी : अध्यक्ष महोदय मेरा प्रश्न १५७८ रह गया है ।

Mr. Speaker: He can put Question No. 1578.

लखनऊ जफराबाद रेलवे लाइन

*१५७८. **श्री आर० एस० तिवारी :** क्या रेल मंत्री यह बतलाने की कृपा करेंगे कि :

(क) क्या लखनऊ तथा जफराबाद के बीच रेलवे लाइन बनाने का सरकार का विचार है; और यदि है तो कब तक; तथा

(ख) उसकी लम्बाई कितनी होगी? और उसका अनुमानित व्यय कितना है ?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) A railway line already exists between Lucknow, Faizabad and Zafarabad. The hon. Member is presumably referring to the Utraitia-Sultanpur-Zafarabad Section dismantled during the War. Preliminary arrangements for the restoration of this Section are already in hand.

(b) The total length of the Utraitia-Sultanpur-Zafarabad Section is 136·46 miles and its anticipated cost of restoration is Rs. 1·68 crores.

Shri Punnoose: May I request your permission to put Question No. 1551?

Mr. Speaker: It is no use encouraging this practice. The hon. Member who put down that question should have authorised somebody. There is no such authority.

Shri T. N. Singh: In regard to Question No. 1578, may I ask one supplementary question?

Mr. Speaker: Yes.

The Minister of Defence Organisation (Shri Tyagi): The hon. Member missed the train. He should have asked it earlier.

Mr. Speaker: He can ask it now.

Shri T. N. Singh: May I know whether this work of restoration has been taken in hand already, and if so, how much progress has been made so far?

Shri Shahnawaz Khan: The work has already been taken in hand. As I said earlier in the course of the main reply, the preliminary survey has been completed and a very substancial sum of money has been set apart for completing this work during this year.

An Hon. Member: Would you kindly allow Question No. 1567?

Mr. Speaker: Order, order.

WRITTEN ANSWERS TO QUESTIONS

AGRICULTURAL FINANCE SUB-COMMITTEE

*1550. **Shri P. T. Chacko:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether Government have taken any steps to implement the recommendations of the Agricultural Finance Sub-committee;

(b) whether Government have taken any steps to constitute a machinery for extending credit to the rural people; and

(c) whether Government propose to set up an Agricultural Credit Corporation on the lines of the Industrial Corporation?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) These recommendations mostly concerned State Governments and were communicated to all State Governments for necessary action in the light of conditions prevailing in each State.

(b) The ultimate objective of the Government of India is that co-operative societies should handle the bulk of agricultural credit in the country. Accordingly, co-operatives are being set up in areas benefited by the Community Development Projects and the National Extension Service; Co-operative credit machinery in the States is being reorganised in the light of the Reserve Bank's advice; and, the State Governments have been asked to formulate schemes for utilising short-term G.M.F. loans not only for making rural credit available but also for promoting the co-operative movement. Until, however, a net-work of co-operative societies is established, the following measures for extending rural credit will continue:—

(i) granting short-term credit to the State Governments for financing the purchase and distribution of seeds and fertilisers;

(ii) granting of *Taccavi* loans by the State Governments to the farmers; and

(iii) provision by the Reserve Bank of India of concessional finance for financing seasonal agricultural operations and marketing of crops.

(c) This is not under consideration at present. The Government is concentrating on expanding State and Co-operative Credit Organisations.

Ex-ANCHAL STAFF OF TRAVANCORE COCHIN

*1551. **Shri P. T. Chacko**: Will the Minister of **Communications** be pleased to state:

(a) whether categorisation orders issued in respect of *ex*-Anchal staff of the Travancore-Cochin State have been fully implemented;

(b) whether cash securities of the *ex*-Anchal staff have been released; and

(c) whether the order to confirm temporary posts of more than three years duration is implemented in the case of *ex*-state temporary officials in the Posts and Telegraphs Department?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) The orders in question have been fully implemented in respect of 1497 permanent and 439 temporary men out of a total strength of 1,528 permanent and 999 temporary *ex*-Anchal staff taken over by the Indian Posts and Telegraphs Department from the Travancore-Cochin Government.

(b) Necessary orders have recently been issued to the Postmaster-General, Madras Circle, to release the cash securities of the *ex*-Anchal staff, which are pledged to the *ex*-Anchal Superintendent.

(c) The order referred to by the hon. Member does not apply to the initial fixation of the permanent and temporary strength of the *ex*-State Posts and Telegraphs systems.

SHIFTING OF DISTRICT ENGINEER'S OFFICE FROM CANNANORE TO SHORANUR

*1556. **Shri N. P. Damodaran**: (a) Will the Minister of **Railways** be pleased to state whether there is any proposal under consideration to shift the office of the District Engineer from Cannanore to Shoranur in the Southern Railways?

(b) If so, what are the reasons for this proposal?

(c) How long has the office been at Cannanore?

(d) Has any representation been received by Government, protesting against the proposal to shift the office?

(e) If so, what action have Government taken thereon?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Yes.

(b) Cannanore is at one end of the Engineering District of the Railway while Shoranur, being within a 100 mile radius from almost all sections of the district, is a more central place. For administrative and executive convenience Shoranur is preferred.

(c) For the past 40 years approximately.

(d) One group of the staff numbering 18 have protested against the proposal while another numbering 23 have welcomed it.

(e) No final decision has yet been taken on this proposal.

RAILWAY ACCIDENT AT MUZAFFARPUR RAILWAY STATION

*1557. **Shri Ram Dhani Das:** (a) Will the Minister of **Railways** be pleased to state whether it is a fact that on the 9th March, 1953 the 22 Down Prayag Passenger train collided with the engine of another standing Up Passenger train while entering the Mazaffarpur Railway Station?

(b) If so, what were the causes of the collision?

(c) What are the number of injured persons and other losses, if any?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Yes. At about 1-10 hours on 9th March 1953, No. 22 Down Prayag Passenger collided at Muzaffarpur station with No. 21 Up Passenger which was standing on the line on which 22 Down entered.

(b) *Prima facie* the accident was due to 22 Down running against signals.

(c) Six persons including the Guard of 22 Down received minor injuries. The approximate cost of damage to Railway property was Rs. 500.

Dak Sewak SCHEME

*1559. **Shri Jangde:** (a) Will the Minister of **Communications** be pleased to state whether the *Dak Sewak* scheme is being expanded by Government?

(b) What steps are being made to facilitate the expansion of the *Dak Sewak* Scheme in rural areas?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) and (b). The whole question whether the scheme should be continued or discontinued, either in the present or a modified form, is under examination.

JANTA EXPRESS BETWEEN HOWRAH AND BOMBAY

*1560. **Shri B. N. Misra:** Will the Minister of **Railways** be pleased to state:

(a) whether Government propose to run the Janta Express between Howrah and Bombay *via* Nagpur;

(b) if so, when; and

(c) if not, the reasons therefor?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) Yes.

(b) The train service is intended to be introduced when improvement in the position in respect of availability of coaching stock and locomotives permits of it.

(c) Does not arise.

LOCAL TRAINS BETWEEN DONGARGARH AND BILASPUR

*1561. **Shri B. N. Misra:** Will the Minister of **Railways** be pleased to state:

(a) whether Government have decided to run local trains between Dongargarh and Bilaspur on the Eastern Railway, which has been suspended since the last War; and

(b) if so, when and if not, the reasons therefor?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) and (b). The train service is intended to be restored when improvement in the position in respect of availability of coaching stock and locomotives permits of it and provided there is then traffic justification for it.

HINDI TELEGRAMS

*1572. **Shri B. N. Roy:** Will the Minister of **Communications** be pleased to state whether arrangements will be made for sending telegrams in Hindi in the telegraph offices in rural areas in the year 1953-54?

The Deputy Minister of Communications (Shri Raj Bahadur): Hindi telegraph service is at present available in 104 stations. Orders have also been passed for extending the service as fast and as wide as possible. It would of course be extended to rural areas during the current year.

FIRE TO DIESEL CAR BOUND FROM HYDERABAD TO BIDAR

*1583. **Shri P. Ramaswamy:** Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that the Diesel Car bound from Hyderabad to Bidar on the 6th April, 1953, on the Central Railway, was completely burnt down near Sanatnagar station and if so, what are the circumstances under which this accident happend;

(b) what was the extent of damage to life and property as a result of this accident;

(c) how many passengers were travelling in the Car at that time and whether the passengers were attended to after the accident; and

(d) whether the reasons for this accident have been ascertained and if not, what action is being taken?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): (a) and (d). At about 12-15 hours on 6th April, 1953, No. 92 Up Diesel Rail Car running on the section from Secunderabad to Mohamedabad Bidar caught fire just after passing Sanatnagar station. The super-structure of the Rail Car, except the exterior steel panelling, was completely burnt down. *Prima facie* the fire was caused by a length of asbestos rope impregnated with oil, hanging out of the silencer casing in the rear engine and having been ignited by the excessive heat of the exhaust pipe. The final findings of the Government Inspector of Railways who held an enquiry into this accident are awaited.

(b) No one was killed or injured. The approximate cost of damage to the Rail Car is Rs. 1,37,000. There was no damage to the property of the passengers.

(c) Thirty-nine passengers were travelling in the Car at the time of accident. All of them were subsequently transported by a special train to Mohamedabad Bidar. Light refreshments were arranged for them.

RECRUITMENT ON NORTH EASTERN RAILWAY

1184. Shri Sarmah: Will the Minister of **Railways** be pleased to state:

(a) the total number of employees as on the 31st January, 1953 in each of the categories of Class I, II, III and IV separately in that portion only of the North Eastern Railway which lies inside the State of Assam and the number of Assamese in each of these four categories separately; and

(b) the total number of employees in the Chittaranjan Locomotive Works in all categories and the number of Assamese employees out of these in different categories of service?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) and (b). Particulars of staff according to their State of origin or linguistic denominations are not recorded by the Railway Administrations. It is, therefore, not possible to give the exact number of Railway employees, whose State of origin is Assam, at present employed on the North Eastern Railway in Assam and in the Chittaranjan Locomotive Works.

WAITING-ROOM FOR 'JAGIROAD' RAILWAY STATION

1185. Shri Sarmah: (a) Will the Minister of **Railways** be pleased to state whether it is a fact that 'Jagiroad' is an important railway station on the main line of the N. E. Railway in Assam, serving about 80,000 of population of an extensive countryside?

(b) Is it a fact that there is no waiting-room at the 'Jagiroad' railway station and passengers including ladies have to wait for the train on the open platform?

(c) Is it a fact that public petitioned to the Railway authorities, for the provision of a waiting-room there and that the demand has been voiced in the local press also?

(d) If so, what steps are being taken in this respect?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) As far as the Railway is concerned, Jagi Road is a small wayside station between Pandu and Chaparmukh, where the daily outward passengers number only 125.

(b) No. There is no waiting room for upper class passengers but a third class passenger Waiting Hall exists.

(c) and (d). The provision of waiting rooms is an item of passenger amenities, the programme for which each year is drawn up by a Subcommittee of representatives of the Zonal 'Users' consultative Committees and the Railway Administration, according to the funds available and the needs and urgency of works required at different stations. An *ad hoc* Committee has recently been appointed to look into the question of Passenger Amenities in the Assam Region of the North Eastern Railway.

RAILWAY MAGAZINES

1186. Shri Balwant Sinha Mehta: (a) Will the Minister of **Railways** be pleased to state whether it is a fact that different Zonal Railways publish their own Magazines?

(b) If so, what is their object?

(c) How much does each Railway spend on such magazines?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Railway Magazines are published every month under the aegis of the

Railways by all Indian Railways except the Southern.

(b) These magazines are intended to promote a healthy team spirit amongst the staff and to disseminate information particularly on railway matters.

(c) Railways do not incur any expenditure on this account directly from their revenues. On some railways, the magazines are published under arrangement with outside agencies; in others, the expenditure incurred on account of the publication of these magazines is met out of the Staff Benefit Fund.

RESEARCH OFFICER, LABOUR APPELLATE TRIBUNAL

1187. Shri Nanadas: Will the Minister of **Labour** be pleased to state:

(a) whether the Union Public Service Commission have completed the selection of the post of a Research Officer, Labour Appellate Tribunal, as advertised in August, 1952;

(b) how many applications were received and how many of them were from candidates belonging to Scheduled Castes and Scheduled Tribes;

(c) how many candidates were called for interview; and

(d) whether any Scheduled Castes candidate was selected?

The Minister of Labour (Shri V. V. Giri): (a) and (d). Selection for this post has not yet been completed.

(b) and (c). The information is being collected and will be laid on the Table of the House.

LAND REQUISITIONED FOR ROADS IN TRIPURA

1188. Shri Dasaratha Deb: (a) Will the Minister of **Transport** be pleased to state the principles and procedure that are followed in requisitioning land in Tripura for the construction of roads?

(b) Is any official notice served to the owners of land before it is taken?

(c) Are Government aware that in almost all cases notice or order of requisitioning such land showing the specific area of land and its measurement had not been served on the owners of land?

(d) Do Government propose to give compensation to those peasants whose land has been dug in course of road construction and thus rendered unfit for cultivation?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) to (d). The information is being collected and will be laid on the Table of the House in due course.

AGARTALA-KHOWAI ROAD

1189. Shri Dasaratha Deb: Will the Minister of **Transport** be pleased to state:

(a) the number of families whose land had been taken by Government without any official notice being served on them, for the construction of the Agartala-Khowai road *via* Kalachara in Tripura;

(b) the number of families affected on account of such requisition of land for the said purpose, in between Kalachara tea garden and Subalsing Para;

(c) whether any compensation has been given to those affected families; and

(d) if so, what is the rate of compensation per *Kani*?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) to (d). The information is being collected and will be laid on the Table of the House in due course.

EMPLOYMENT EXCHANGES

1190. Dr. Ram Subhag Singh: Will the Minister of **Labour** be pleased to state the number of persons registered with the Employment Exchanges and the number of those who were given employment in the country during the months of January, February, and March, 1953 in (i) Government establishments, and (ii) Private establishments?

The Minister of Labour (Shri V. V. Giri): The information asked for is given below:—

Month	No. of persons registered	No. placed in employment in—		
		Government establishments.	Private establishments	Total
1	2	3	4	5
1953				
January	1,14,617	11,559	8,819	20,378
February	99,352	9,949	8,064	18,013
March	1,10,293	11,425	6,360	17,785
TOTAL	3,24,262	32,933	23,243	56,17

JUTE CULTIVATION

1191. Shri B. K. Das: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the estimated quantity of jute (including Bimli) and Mesta produced in India State-wise during the year 1952; and

(b) the average yield per acre?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) and (b). A statement giving the required information is placed on the Table of the House.

STATEMENT

The production of Jute and Mesta during 1952-53 and its average yield per acre (State-wise)

State.	(a) Production ('000 bales of 400 lbs. each).		(b) Yield per acre. (bales of 400 lbs. each)	
	Jute	Mesta	Jute	Mesta
Assam	925‡	—	2·92	—
Bihar†	879	141§	1·91	2·01
Bombay	—	12	—	0·85
Madhya Pradesh*	—	—	—	—
Madras	—	169	—	2·19
Orissa	256	50	2·20	2·00
U.P.	164	20§	2·06	2·00
West Bengal	2413‡	—	2·89	—
Hyderabad	—	235	—	1·17
Tripura	58	—	2·42	—
Vindhya Pradesh	—	4	—	1·00
All India	4695	631	2·56	1·57

*Data will be included in the Supplementary Estimate of Mesta, 1952-53.

†Excluding merged territories.

‡Includes negligible figures for mesta also.

§Estimated.

FOODGRAINS CARRIED BY RAILWAYS

1192. Dr. Amin: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the total quantity and value of foodgrains moved by Railways on Government account during the years 1950, 1951 and 1952 and the total amount of freight charged;

(b) the total quantity and value of foodgrains moved by vehicles and the total cost of transport during the above period; and

(c) the total quantity and value of foodgrains lost during rail and road transit during the above period?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) (i) The total quantities of foodgrains moved by rail on Government account under the Basic Plan during the years 1950, 1951 and 1952 are as under:—

Year	Indigenous	Imported
1950	294,520 tons	2,143,771 tons
1951	199,953 tons	4,705,249 tons
1952	533,656 tons	3,476,473 tons

These figures do not include movements of foodgrains on Government account within the States, for which information is not available.

(ii) The information in regard to the value of foodgrains moved by rail and the railway freight charges paid by State Governments thereon is also not available.

(b) This information is not available.

(c) The information in regard to loss or damage in transit and claims paid thereon by Railways is as under:—

Year	Quantity	Value
1950	68,745 maunds	Rs. 9,00,092
1951	58,874 maunds	Rs. 8,78,258
1952	67,797 maunds	Rs. 9,80,033

The information in regard to movement by road is not available.

CENTRAL TRAINING INSTITUTE, KONI

1193. Sardar Hukam Singh: (a) Will the Minister of **Labour** be pleased to state when the Central Training Institute for Instructors, Koni (Madhya Pradesh) was started?

(b) What is the number of Instructors who have received their training so far in this institution?

(c) What is the number now under training in this Centre?

(d) What are the crafts which are taught in this institution?

The Minister of Labour (Shri V. V. Giri): (a) May, 1948.

(b) 1,043.

(c) 123.

(d) A statement is placed on the Table of the House. [*See* Appendix X, annexure No. 12.]

RAILWAY COLLISION AT MAU

1194. Shri Dhusiya: (a) Will the Minister of **Railways** be pleased to state the reasons of the collision of the 71 up express train that took place on the 30th November, 1952 at Mau on the N.E. Railway?

(b) How many persons were injured?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) The collision of 71 Up Express train with the rear of a Goods train, referred to in the question was due to the signals for the reception of the former having been wrongly lowered for a line which was already occupied by the Goods train.

(b) No one was killed or injured.

SCHEDULED CASTE EMPLOYEES IN N. E. RAILWAY

1195. Shri Dhusiya: (a) Will the Minister of **Railways** be pleased to state since the formation of the Zonal Railways, how many clerks have been recruited in the N.E. Railway upto 31st December, 1952?

(b) What is the number of Scheduled Caste people who have been recruited during that period?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) 176.

(b) 11.

RAILWAY COMPARTMENTS RESERVED FOR RAILWAY STAFF

1196. Shri Nambiar: Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that there were compartments reserved for Railway staff on duty to travel in long-distance trains;

(b) if so, whether this system still continues and if not, why; and

(c) whether representations against discontinuance of this system from staff have been received and if so, what action has been taken?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Yes, compartments were reserved on certain trains for railway staff travelling on duty.

(b) This system continues generally on all railways. On the Southern Railway, however, which presumably the hon. Member has in view, the position is that the system continues in a slightly modified form inasmuch as the reservation is allowed only for the train crew and the pay clerks and not for any other railway staff. This modification was the result of complaints that the public were being deprived of their due share of accommodation and being crowded in compartments whereas specially reserved accommodation for railway staff on duty was sometimes going empty.

(c) A representation in respect of the modification introduced on the Southern Railway was received some time in 1951, but Government found themselves unable to accept the suggestion for restoration of the old procedure of reserving compartments for railway staff travelling on duty generally.

REPORT OF THE INDIAN COUNCIL OF AGRICULTURAL RESEARCH

1197. Shri Heda: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the dates of publication and circulation of the annual report of the

Indian Council of Agricultural Research for the year 1950-51;

(b) whether the report of the Indian Council of Agricultural Research for 1951-52 has been published and if so when, and if not, the reasons for the delay; and

(c) when Government expect to bring out the report of the Indian Council of Agricultural Research for 1952-53?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) The first edition of the Report was printed in November, 1951, but copies could be circulated only after the Society had approved the report at its Annual General Meeting in December, 1951.

(b) The report for 1951-52 was approved at the annual General Meeting of the Society in January 1953 and stencilled copies are available for essential use. The report is being printed and will be released when printed copies become available. The report cannot be issued immediately after each financial year as under the Rules it should be approved at the following General meeting of the Society.

(c) Some time in April 1954.

PRESERVATION OF WOOD

1198. Shri Sanganna: (a) Will the Minister of **Food and Agriculture** be pleased to state whether research in preservation of forest wood is being carried out in India?

(b) If so, how many institutions are there?

(c) What is the approximate value of chemicals used for research work every year?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) Yes.

(b) Research work on the preservation of timber is being carried out at the following research stations and laboratories in India:

(i) The Wood Preservation Branch of the Forest Research Institute, Dehra Dun.

(ii) The Forest Products Laboratory of the Mysore State at Bangalore.

(iii) The Technical Development Establishment (Lab.) of the Ministry of Defence at Kanpur.

(c) Chemicals worth about Rs. 5,000 are used at the Forest Research Institute for research work on wood preservation every year. Information regarding other institutes is not readily available.

केन्द्रीय क्षेत्र में डाक तथा तार विभाग के लिए इमारतें

११९९. श्री जांगड़े : क्या संचारण मंत्री यह बतलाने की कृपा करेंगे :

(क) क्या केन्द्रीय क्षेत्र के उत्तरी छत्तीसगढ़ और नागपुर विभागों में डाक तथा तार विभाग ने सरकारी कामों के लिए व्यक्तिगत लोगों से गत २ वर्षों में मकान खरीदे या किराये पर लिए थे ;

(ख) ऐसे मकानों की कुल संख्या और उन पर खर्च हुए धन की राशि;

(ग) उन लोगों के नाम जिनसे मकान लिए गए; प्रत्येक व्यक्ति से लिये गए मकानों की संख्या तथा उन को दिये गए किराये या कीमत की राशि; तथा

(घ) इन भुगतानों का आधार ?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Only rented them.

(b) The number of such houses is 12, the total rent payable for 11 houses being Rs 987/8/- p.m. The rent of one house has not yet been fixed.

(c) A statement is placed on the Table of the House. [*See* Appendix X, annexure No. 13.]

(d) The rent was negotiated and verified with regard to market rates and the opinion of Revenue authorities was also taken.

PRODUCTION OF JUTE IN TRIPURA

1200. Shri Dasaratha Deb: (a) Will the Minister of **Food and Agriculture** be pleased to state the total amount of Jute production in maunds in Tripura during the year 1951-52?

(b) What was the average price per maund of jute in the local market in 1951 and 1952 and what was the average price in Calcutta market in the same year?

(c) What was the amount of jute exported from Tripura and by what means?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) 3,06,250 maunds.

(b) Local market average price of jute per maund was Rs. 45 in 1951 and Rs. 16 in 1952. Calcutta average price per maund was Rs. 75 in 1951 and Rs. 24 in 1952.

(c) No jute was exported from Tripura during 1951 and 1952.

B. C. G. VACCINATION

1201. Shri Rishang Keishing: Will the Minister of **Health** be pleased to state:

(a) the all-India and State-wise figures of persons so far tested and actually inoculated and the medical personnel which took part during the mass B.C.G. Campaign throughout India;

(b) the quantity of B.C.G. used during the Campaign and the cost of the same; and

(c) whether the Central Government incurred any expenditure for the B.C.G. Campaign and if so, how much?

The Minister of Health (Rajkumari Amrit Kaur): (a) Two statements, one showing the all-India and State-wise figures of persons tested and B.C.G. vaccinated and another the personnel engaged in the B.C.G. vaccination campaign in India, up to the end of January, 1953, are placed on the Table of the House.

(b) A statement showing the quantities of B.C.G. vaccine and tuberculin supplied to the B.C.G. Centres in India up to the end of the year 1952-53, together with their cost, is placed on the Table of the House. [For (a) and (b), *See* Appendix X, annexure No. 14.]

(c) In addition to the free supply of vaccine and tuberculin to all B.C.G. Centres in India, the Government of India have up to the end of the year 1952-53, incurred an expenditure of about Rs. 9,62,600 in connection with the B.C.G. vaccination campaign.

STATISTICS *re.* HEALTH MATTERS

1202. Dr. Amin: Will the Minister of **Health** be pleased to state:

(a) whether the statistical information relating to health matters was collected during the years 1949, 1950, 1951 and 1952;

(b) whether this information has been circulated; and

(c) if the answer to part (b) above be in the affirmative, how the information was circulated?

The Minister of Health (Rajkumari Amrit Kaur): (a) The statistical information relating to health matters for the year 1947 was collected from the State Governments and published in the Statistical Appendices to the Annual Report of the Director General of Health Services. Similar information for the years 1948 and 1949 is about to be published. A Health Atlas containing satistical Information on health matters up to the year 1950 will also be published shortly.

(b) and (c). The publications are supplied free to all the State Health Authorities, medical colleges and schools, universities and libraries in India.

PULSES

1203. Shri K. P. Sinha: Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether India is self-sufficient in pulses;

(b) the total quantity required for annual consumption and the total quantity produced annually; and

(c) whether it is a fact that pulses specially of *Mesoor* are exported to East Pakistan in large quantity?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) No, judged by nutritional standards.

(b) The total amount of pulses required for yearly consumption according to the nutritional standard is, on an average, 7·6 million tons. As against this, the average net production of pulses available for consumption is 7·0 million tons.

(c) There has been no export of any variety of pulses (including *Mesoor*) to Pakistan during the last three years.

GODOWNS

1204. Shri K. C. Sodhia: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the total amount spent by the Government in the years 1950, 1951 and 1952 on the construction and maintenance of godowns for the storage of foodgrains at different places; and

(b) the names of places where such constructions have been made and the capacity of each godown?

The Minister of Agriculture (Dr. P. S. Deshmukh: (a) and (b). New constructions were not undertaken by the Central Government during the years 1950 and 1951 but some sheds declared surplus by the Ministry of Defence were purchased and renovated for storage of foodgrains. During 1952 some accommodation was constructed and some purchased from the Defence Ministry and Directorate General, Supplies and Disposals and renovate Details are given below:—

Year	Place	Capacity (Tons)	Amount spent (Rupees)	Remarks
1950	Manmad	55,000	15,11,500-0-0	Inclusive of Rs. 11,72,736 spent on initial repairs and renovation undertaken in 1951 The cost of the structures amounting to Rs. 3,38,764 paid in 1951.
1951	Cochin	10,000	1,02,275-0-0	Inclusive of Rs. 46,375/- spent on initial repairs & renovation undertaken in 1952. The cost of the structures amounting to Rs. 55,900/- not credited to Defence Ministry's account yet.
1952	(a) Avadi	16,800	5,06,100-0-0	Inclusive of Rs. 3,86,100/- spent on initial repairs and renovation. The cost of the structures amounting to Rs. 1,20,000/- not credited to Defence Ministry's account yet.
	(b) Sewri	13,000	2,60,000-0-0	Inclusive of Rs 1,70,000/- spent on initial repairs and renovation. The cost of the structures amounting to Rs. 90,000/- not yet credited to the account of D.G. S. & D.
	(c) Wadala (New construction)	50,000	25,31,150-0-0	

Cost of maintenance of the godowns shown above together with cost of maintenance of godowns (58,000 tons capacity) which were constructed prior to 1950 is given below: -

1950.....Rs. 44,400/—

1951.....Rs. 41,500/—

1952.....Rs. 78,700/—

TOBACCO

1205. Shri C. R. Chowdary: (a) Will the Minister of **Food and Agriculture** be pleased to state the tobacco yield in India in the crop years 1951-52 and 1952-53?

(b) What is the extent in acres (State-wise) that was under tobacco cultivation in the crop years 1951-52 and 1952-53?

(c) Are there any marketing facilities provided for tobacco in any State or States?

(d) Is any minimum price fixed for tobacco of various grades?

(e) What steps have been taken to ensure non-failing supply of coal to the curers of tobacco?

(f) What is our place in production of tobacco as compared with other countries?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) 1951-52, 504 million lbs; 1952-53, Estimates not yet available.

(b) A statement is attached. [*See* Appendix X, annexure No. 15.]

(c) Yes, in several States.

(d) No.

(e) Whenever actual difficulty in the procurement of coal is brought to notice, necessary assistance to the extent possible is given depending on the supply position and the availability of transport facilities for the purpose.

(f) India stands third in the world in tobacco production.

JUTE

1206. Shri S. C. Samanta: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the highest amount of jute produced in an acre of land in India:

(b) the different varieties and qualities of jute that were grown in India in 1952-53;

(c) which parts of India can grow best varieties of jute; and

(d) what incentives have been given to grow more jute in smaller areas?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) 44:9 maunds.

(b) Two varieties, namely, C. Capsularis and C. Olitorius were grown in India in 1952-53. The more important commercial qualities of jute that were grown are:—Lower Assam, Upper Assam, Northern, Daisee, Cuttack, Orissa, Bihar, Western, Jungli, Murshidabad and Uttar Pradesh.

(c) Northern districts of West Bengal and lower areas of Assam.

(d) Improved jute seeds have been made available to the small growers at reasonable rate. Plant Protection measures were taken in plolts that were attached with insect, pests or diseases. The cost of insecticides or fungicides was not charged from the beneficiaries.

ANTI-MALARIA CONTROL UNITS FOR BIHAR

1207. Shri S. N. Das: Will the Minister of **Health** be pleased to state:

(a) whether the selection of areas where the seven Anti-Malaria Control Units allotted to the **State** of **Bihar** will function, has been made;

(b) if so, the names of the areas with their respective Headquarters;

(c) the entire cost of the scheme operating in each area;

(d) what part of the population in these areas will be protected as a result of introducing this programme in these areas; and

(e) what will happen to the existing units operating in these areas?

The Minister of Health (Rajkumari Amrit Kaur): (a) to (e). The information required has been called for from the Government of **Bihar** and will be laid on the Table of the House in due course.

CONTRIBUTIONS TO U.N.I.C.E.F.

1208. Sardar A. S. Saigal: Will the Minister of **Health** be pleased to state how much contribution the Government of India have made since 1950 towards Health and Relief Programmes of **UNICEF**?

The Minister of Health (Rajkumari Amrit Kaur): The Government of India have made a total contribution of **Rs.** 18,00,000 to the **UNICEF** since 1950.

THE

PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

Dated 25.11.2014

HOUSE OF THE PEOPLE

Thursday, 23rd April, 1953.

The House met at a Quarter Past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(See Part I)

8-6 A.M.

MOTION FOR ADJOURNMENT

STRIKE AT THE HINDUSTHAN SHIPYARD, VISAKAPATNAM

Mr. Speaker: I have received notice of an adjournment motion to discuss the situation arising out of the strike at the Hindusthan Shipyard, Visakapatnam, commencing on the 22nd April, involving more than 3600 workers as a protest against the summary discharge of 813 workers and the sympathetic support extended to them.

Before I come to any conclusion as to whether I should give my consent or as to whether the motion is admissible, I should like to be clear about this matter on facts. *Prima facie*, whatever sympathies we may have for the workers who are summarily dismissed, it is more or less a matter of administration and has to be corrected by representations to the administration. But I do not know the background of the whole thing. Also, while it is no doubt a matter of importance, I do not see how it is a matter of such public importance in the background of the all-India situation that we must now suspend our other ordinary business and take up this adjournment motion. That is another point. There is the question of urgency also involved, but before I come to any conclusion, I should like to hear the hon. Member Dr. Syama Prasad Mookerjee as to what he has to say on facts. I should also like the Minister in charge to state the facts about the situation.

Dr. S. P. Mookerjee (Calcutta South-East): I have based my adjournment motion on a telegram which I received—and which I believe Government also have received—from Dr. Lanka Sundaram, a Member of this House, who is the President of the Hindusthan Shipyard Labour Union. That is the basis on which I have proceeded.

The first point which you have been good enough to raise is about the background. As the House is aware, a dispute has been pending for some time past regarding the discharge of 813 workers from this Shipyard which belongs to the Government of India. The claim which was put forward by the workers was that the whole matter should be gone into by an independent tribunal. Unfortunately, no legal notice has been served on these workers. If that had been done, then they could have immediately claimed either conciliation proceedings or arbitration proceedings. But they have been summarily dismissed. That is the information which has been conveyed in this telegram. As a result of this, a sympathetic strike has been declared by more than 3600 workers of the Shipyard itself, with the result that yesterday no work was done in the Shipyard.

As regards the emergency, this telegram says:

> "This morning the council of registered Trade Unions, Vishakanatnam, representing harbour, Eastern Railway, Indian Navy,

[Dr. S. P. Mookerjee]

Civil Employees. Naval Armament Depot, Posts and Telegraphs, R.M.S., Military Engineering Services, King George Hospital and Municipality Workers, who are under this Trade Union resolved in emergency meeting to stage public demonstration on Friday evening..."

i.e. tomorrow evening—

"...through combined procession and march meeting to register their protest against illegal lockout of Shipyard Workers and they have communicated this decision by telegram to the Prime Minister of India and other authorities in New Delhi and in Madras".

So, the emergency arises out of this, that unless something is done quickly —if possible, today,—there is a possibility of this strike spreading into other spheres which concern some vital, important and essential services directly under the control of the Government of India. We do not want that this ugly thing should develop, and we are anxious that some positive steps should be taken, if possible in the course of the day, so that an amicable settlement can be reached. The demand of the workers has been reiterated here. They want that these workers should not be dispensed with, and they are prepared to submit the whole case to adjudication by an independent tribunal. I do not wish to go into the merits of the case, but to us it seems that it is quite a justifiable demand and the Government of India should not precipitate a crisis in respect of works and institutions which vitally concern our defence, security and also economic interests.

Lastly, if you feel that an adjournment motion is not necessary because it may interfere with the urgent legislative work in which we are engaged, I shall be perfectly satisfied if you, with the approval of Government, allot half an hour today at 12-45 P.M. so that we can discuss this matter in a spirit of understanding and try to come to a settlement, so that we may avert a crisis which may assume very serious proportions.

Shri Thanu Pillai (Tirunelveli): On a point of clarification, may I know whether it is a strike or a lock-out?

Mr. Speaker: It is a strike.

Shri Thanu Pillai: It was mentioned as a lock-out.

Dr. S. P. Mookerjee: This was in respect of the 813 workers. The first sentence of the telegram I have received reads thus:

"3682 workers of the Hindusthan Shipyard including....."

I need not repeat the names of the people: they are from all provinces—

".....commenced total peaceful strike this morning as a protest against summary discharge of 813 workers without customary notice of fourteen days which would have enabled Labour Union to initiate conciliation proceedings and arbitration proceedings. Shipyard completely deserted this morning."

The Minister of Defence Organisation (Shri Tyagi): Where is the question of lock-out here?

Mr. Speaker: Yes, there is no question of lock-out. It is a strike.

The Minister of Labour (Shri V. V. Giri): On behalf of the Production Minister, I may be allowed to make the following submission. There was a dispute as regards these 813 workers, and it is a matter for the Madras Government to appoint or not to appoint adjudication machinery. We have suggested to the Madras Government to appoint adjudication machinery, and they have appointed an adjudicator to go into the dispute. It is for the workers to place all their facts before the adjudicator and he will give an award which will be entirely binding on the parties.

Mr. Speaker: I should like to know whether Government are willing to have a half an hour discussion, because on the question of adjournment motion the case is practically given up by the hon. Member. He does not press it.

Dr. S. P. Mookerjee: Not given up. I am in an accommodating spirit.

Mr. Speaker: I am putting it in a plain language and not in a diplomatic language.

منسٹر آف ایجوکیشن (مولانا آزاد)- شری گری کے اس بیان کے بعد میں سمجھتا ہوں کہ اب کوئی ضرورت باقی نہیں رہتی -

The Minister of Education and Natural Resources and Scientific research (Maulana Azad): I do not think there is any necessity for it after Mr. Giri's statement.

अध्यक्ष महोदय : आध घंटे की चर्चा करने की जो बात चलायी गयी है, उस के बारे में तो गवर्नमेंट का वियू जानना है और उस के अनुसार इस को तय करना है।

Shri V. V. Giri: I submit, Sir, in view of the fact that an Adjudicator has already been appointed, if further information is required it is better that the Production Minister, who is in full possession of the facts, states them tomorrow. He will be present tomorrow.

Mr. Speaker: So even for the half an hour discussion let us wait till tomorrow when the Production Minister will be here. I believe the hon. Member's point is gained by making a statement in this House as to why he wants an adjournment motion.

Dr. S. P. Mookerjee: I can only make one submission on what the hon. Minister said. Technically he is correct that the initiative has to be taken by the Madras Government since it is situated in the State of Madras. But what brings it nearer to the Government of India is the fact that the Government of India is the employer, and if the Government of India agrees not to dismiss these eight hundred and odd people immediately but to keep them in service till the adjudication is completed, there will be no strike and there will be peaceful settlement. And that is a matter on which the Government of India will have to decide. If that decision is taken there will be no trouble at all.

Mr. Speaker: The little talk we had has already gone to achieve his object. The Government will bear that in mind and do whatever they like.

Shri K. K. Desai (Halar): May I know when this Adjudicator was appointed by the Madras Government?

Shri V. V. Giri: About three days ago.

Mr. Speaker: Then there does not seem to be any occasion now...

Dr. S. P. Mookerjee: Sir, the Prime Minister is here now and perhaps he can dispose of the matter more quickly and expeditiously.

Mr. Speaker: I do not think we need take more time on this.

Dr. S. P. Mookerjee: Can we not have the discussion today? Tomorrow they have declared their intention to go on strike.

Mr. Speaker: I do not see as to how any discussion is going to further matters towards the end we have in view. The hon. Member has already invited the attention of the Government to the demands of labour and pressed upon the Government the urgency and seriousness of the matter. It is said that an Adjudicator has been appointed. Let us see what the hon. Minister of Production has to say tomorrow—if at all he wants to say anything. But now there does not seem to be any occasion for pursuing this.

Shri Nambiar (Mayuram): If before tomorrow evening a better understanding could be reached that would be better.

Mr. Speaker: For that it would be better if they have a discussion with the hon. Minister concerned outside the House and not in the House.

Shri Nambiar: That we have been continuing to have.

Mr. Speaker: That disposes of the adjournment motion.

INDIAN INCOME-TAX (AMENDMENT) BILL

Mr. Speaker: We now come to the Indian Income-tax (Amendment) Bill. The general discussion will take place today and at the end of the day the motion will be put to the House as has been decided or recommended—which recommendation we should take as binding on us—by the Business Advisory Committee and the clause by clause reading will take place on the 25th and on the 27th. In all three days are fixed for this.

Shri M. S. Gurupadaswamy (Mysore): Only one day for the general discussion?

Mr. Speaker: One day has been decided by the Business Advisory Committee on which all parties are represented. Let us have a convention...

Dr. S. P. Mookerjee (Calcutta South-East): Some of us felt that four days would be necessary for this Bill. And I had suggested that instead of three days for the PEPSU Bill we might reduce it by one day and have an extra day here.

Mr. Speaker: Is it agreed that the PEPSU budget will be finished in the two days?

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): Government have no objection.

Mr. Speaker: Then there is no objection. But later on, in respect of the PEPSU budget, it should not be said "we had no idea about the points involved and the time is not enough". We must be very clear on that.

Shri Punnoose (Alleppey): I suggest that a decision may not be taken regarding this now. The time limit for the PEPSU budget my be taken after this.

Mr. Speaker: I am merely trying to adjust the convenience and wishes of Members. I am not giving any ruling. As regards the PEPSU budget, perhaps Sardar Hukam Singh might enlighten us on that point.

Sardar Hukam Singh (Kapurthala-Bhatinda): I wish only to say that the time that is allotted for the PEPSU budget should be reserved for that purpose.

Mr. Speaker: The programme given here is two days for the PEPSU budget, and for the PEPSU (Delegation of Powers) Bill one day. So in all three days are allotted.

Dr. S. P. Mookerjee: Let us have it half and half—two and a half days for that and half a day extra for this.

Mr. Speaker: I believe Government are agreeable to that?

The Minister of Finance (Shri C. D. Deshmukh): I was going to suggest a compromise, namely that we might carry on this discussion for the whole of today and that I might reply to the debate first thing on the 25th morning. Then we might take up the amendments. I think the amendments will not take very long. I have received notice of sixteen amendments. Some of them are, sort of, consequential to one another. And there are only two or three important points which are involved in those amendments. I myself am inclined to think that two days will be too much for the amendments.

Mr. Speaker: That clarifies the position.

Shri C. D. Deshmukh: One and a half day we might have for the consideration. It will be more convenient to me also.

Mr. Speaker: One and a half day —extend it if you like—for the consideration and one and a half day for the clause by clause reading. And the whole thing we will fit in three days. On this understanding let us proceed.

Dr. S. P. Mookerjee: If we can get half a day from the time for the PEPSU budget it will be better.

Mr. Speaker: We will proceed on this understanding. We will see later on.

Shri C. D. Deshmukh: I beg to move:

> "That the Bill further to amend the Indian Income-tax Act, 1922, as reported by the Select Committee, be taken into consideration."

[MR. DEPUTY-SPEAKER *in the Chair*]

When the motion to refer this Bill to Select Committee was made on the 9th July last I said that the main features of the present Bill were that it contained a number of beneficial provisions. Now, the Bill contains 31 clauses of which the first two relate to commencement and definitions. Out of the operative clauses of the Bill fourteen are beneficial, eleven are procedural, administrative or merely clarificatory, and the remaining few are designed to check evasion of taxes. Therefore, in my opinion, there is hardly anything in this Bill which raises any serious controversy except the two or three points to which I referred a little while ago in general terms. Moreover, the Bill has had the benefit of very careful and, I might almost say, meticulous examination by a twentysix-man Select Committee. There were in all nine sittings of the Committee and the time taken was about twenty-seven

hours. On an average about twenty Members attended the meetings. They have therefore devoted about 540 man-hours in the deliberations over this Bill. So the Bill as it emerges from Select Committee is the result of very close scrutiny, and I am grateful to all the Members of the Committee for the very illuminating and interesting discussions which were contributed by them.

The House will have noticed that the provisions have been further liberalised wherever it was possible to do so. The report of the Select Committee was presented to the House on the 7th November 1952 and the Bill as amended by the Committee has been before the House for a fairly long time. It is therefore not necessary to go into all the details and I shall only deal briefly with the important changes suggested by the Select Committee.

Now, first the commencement clause. Clause 1 relating to the extent and commencement of the Bill has been modified to make it clear that the substantive provisions of the Bill, except where specific retrospective effect is given, to a provision, come into force with effect from the assessment year 1952-53, and that the procedural provisions apply to pending cases also. This conforms to the general rule of construction of statutes

Then in regard to the 'previous year', some slight change has been made by the Select Committee to make it clear that the previous year of a firm will be the previous year of a partner of the firm also in respect of his share therein, only where the firm itself has been assessed as a unit. Where the firm is not separately assessed, the partner can include the firm's share in the 'previous year' adopted by him.

In regard to this definition of the 'previous year', some apprehensions were expressed in the Select Committee whether under the amended definition, it would be open to a new business to adopt in the first year a 'previous year' exceeding twelve months as at present. To make the position clear I may say that where a business is started in the preceding financial year and it makes up its accounts for a period exceeding twelve months, then such a case would be governed not by clause (c) of the definition, but by clause (b) and a 'previous year' longer or less than twelve months could be adopted, provided it was not designed to evade any income-tax by including losses, or excluding profits of a later period.

Then I come to the clauses governing the exemption of incomes of charitable institutions. In brief, the changes made by the Select Committee secure that:

(1) the income is exempt even if it is not applied to religious or charitable purposes in one year, but is accumulated for application for such purposes subsequently;

(2) the charitable purposes should normally relate to something done within the taxable territories and that in cases where such purposes are without the taxable territories, the income will not be exempt, unless the Central Board of Revenue grants the necessary exemption;

(3) the exempted income is liable to tax when it is diverted to any other purpose or ceases be set apart for religious or charitable purposes.

The question was raised whether scholarships granted to Indian Nationals for studies abroad would not lose the exemption on the ground that this did not relate to anything done in India. I can assure the House that so long as this is proved to be done for the benefit of the country, the exemption will be available in respect of the amounts spent on such scholarships.

Then there is the question of the exemption of the daily allowance paid to Members of Parliament. In the Bill provision had been made for the exemption of daily allowance of Members of Parliament up to the 1st April 1952. In view of the subsequent developments, the Committee thought that the allowance should be exempted, whether it became due before or after that date. I am inclined to think that this amendment will probably not be unwelcome to hon. Members of the House.

Then, I proceed to the question of the appeal against the Inspecting Assistant Commissioner's order when exercising the functions of an income-tax officer. In the Bill it was provided that where an Inspecting Assistant

[Shri C. D. Deshmukh]

Commissioner made an assessment functioning as an income-tax officer, the appeal should be heard direct by the Income-tax Appellate Tribunal. The Select Committee desired that the existing right of a first appeal to the Commissioner should not be disturbed. I take this change made by the Select Committee as a tribute to the department and as an indirect reply to the critics who say that the first appeal to the Department is practically useless as the departmental appellate authority merely supports the assessing officer. If I may say so, about 90 per cent. of the small appeals are settled by the Department to the satisfaction of the appellants. This machinery of appeal, although within the Department, is given absolute discretion and independence in the matter of deciding appeals in a judicious manner.

The next question is that of the continuance of proceedings by a succeeding income-tax authority. The Select Committee has given the assessees, the option to demand a re-hearing of the whole or part of the proceedings whenever any proceedings under the Income-tax Act are taken by a succeeding authority. To safeguard the time-limit in such cases it has been provided that the time taken in re-hearing will be excluded for purposes of computing the time-limit for completing the assessment.

There was a great deal of discussion in regard to the question of the President of the Income-tax Appellate Tribunal. In the Bill it was provided that the post of the President of the Appellate Tribunal should be open also to an accountant member as there was practically no difference in the appellate functions performed by an accountant member and a judicial member. The Select Committee thought it fit that the President must always be a judicial member. A statutory bar to the appointment of an accountant member as the President in any circumstances might create administrative difficulties and unnecessary discontent among the accountant members. I, therefore, welcome the amendment tabled by Shri Hari Vanayak Pataskar to the effect that the President would ordinarily be a judicial member and in due course I would commend this to the acceptance of the House.

The next question I come to is the question of the actual cost on which depreciation is chargeable. As regards that, it was provided in the Bill that depreciation would be worked out on the basis of the actual cost borne by the assessee, excluding the amount he may have received from any other source. The reduction in actual cost will now be confined to any amounts received directly or indirectly from Government or from any public or local authority. No reduction will be made from actual cost for sums received from any other source for meeting the cost.

Then there is the question of the extension of the exemption under Section 15(c) to small new industries. To enable small new industries to take advantage of the exemption under section 15(c) of the Income-tax Act, the requirement of employing a specified number of workers has been further liberalised by the Select Committee. Any new manufacturing concern run with the aid of power and employing ten or more workers or any such concern run without the aid of power and employing twenty or more workers will now be entitled to exemption according to the report of the Select Committee.

I come to Section 18A in regard to the interest payable by Government. On the instalments of tax paid, the Select Committee was of the view that Government should continue to pay interest after the 31st March 1952 on the amount paid in excess of that found due on regular assessment.

In regard to the assessee's right to claim determination of loss for the purposes of a carry-forward, we found that there was a lacuna in the existing law and an assessee who incurs a loss would not file a return voluntarily nor was the income-tax officer bound to serve him with a notice calling for a return of income. The amendment now made gives him the right to claim the determination of the losses and to file a loss return before the expiry of time given in the general notice issued every year before the 1st of May. The loss return can also be filed later if permitted by the income-tax officer. As for the right to claim determination of loss for and upto the assessment year 1952-53, instructions will be issued that returns received for some time after the passing of the Bill should be regarded as having been made in time

As regards the power of the income-tax officer to call for information, the

Select Committee has also imposed limitations on the powers of the income-tax officer to call for information and wealth statements. The information must be for the purposes of assessment and the wealth statements could be called for only with the previous approval of the Commissioner.

Then as regards impounding of books by the income-tax authorities to eliminate any hardship to assessees by reason of the retention of books for a long time, it has been provided that if it is necessary to retain them for a period exceeding 15 days, the Commissioner's approval should be obtained.

Then a provision for purchasing 'clear' certificates before a person leaves India has been made to safeguard the interests of revenue. In making exceptions to this requirement, the Government will see that exceptions are made somewhat liberally to cover minors, passengers in transit, members of diplomatic Missions and employees of the Central and State Governments. Arrangements will also be made to secure that certificates are issued as expeditiously as possible and in the case of domiciled persons, they would be issued freely unless there is some reasonable apprehension that they may not return to India. The Select Committee has omitted the criminal liability of the carrier and given discrimination to the income-tax officer to recover the whole or part only of the tax from the carrier.

In regard to unilateral relief in respect of tax paid on foreign income, in providing any such relief to a resident person whose foreign income is assessed in India, it has been made clear that in determining the rate of foreign income-tax, the excess profits tax or the business profits tax imposed by the Government of that country will also be taken into account.

Then, there is some change in regard to the management expenses in the case of life insurance companies. In the Bill the management expenses permissible in respect of renewal premia were increased from 12 per cent. to 15 per cent. The Select Committee has increased 15 per cent. to such percentage as is admissible under the Insurance Act. This will enable new companies with small business to get management expenses upto a maximum of 20 per cent. of the renewal premia. This amendment has retrospective effect from the assessment year 1951-52.

The provision validating the assessment made and the notice issued under section 34, as amended in 1948, was included in the Bill in consequence of the judgment of Mr. Justice Bose of the Calcutta High Court in which he held that this section did not apply to the assessments relating to the years prior to 1st April, 1948. This provision was vehemently objected to by an hon. Member when the motion to refer the Bill to the Select Committee was made in the House. There was a view that Government should not resort to such legislation until the highest court had given its judgment For the information of the House, I may state that the judgment of Mr. Justice Bose has been upset by a Divisional Bench of the Calcutta High Court on the Appellate side consisting of the Chief Justice and Justice Sarkar who have said that this was a short and simple point and that the notices issued for the preceding years under section 34 as amended in 1948 are quite valid Now that the court has upheld the view of the department, it might be said that this provision was no longer necessary. We are, however, advised that there is no harm in retaining this provision which now remains only for the removal of doubts. It confirms the view that the department has always taken, and which is now upheld by the Calcutta High Court. The retention of this clause will be helpful in avoiding unnecessary litigation on the part of some assessees who have the power and may still agitate the matter in another High Court.

Before I conclude, I may refer to another beneficial amendment which I propose to move which has been necessitated by some observations made in a recent judgment of the Supreme Court in the case of the Anglo-French Textile Co. Ltd. The Supreme Court has taken the view that the carry-forward of losses under the head "business" to a subsequent year would be permissible only if the loss was set off first in the year in which it was incurred against income from any other head. If there was not any other head of income, then the loss could not be carried forward. This was never the intention and the amendment proposed is in favour of assessees with a view to clarifying the situation that even if an assessee has no other head of income, the loss incurred under the head "business" would be carried forward under section 24(2).

[Shri C. D. Deshmukh]

I have covered almost all the important changes made by the Select Committee and with these observations, I move.

Mr. Deputy-Speaker: Motion moved:

> "That the Bill further to amend the Indian Income-tax Act, 1922, as reported by the Select Committee, be taken into consideration".

Shri N. C. Chatterjee (Hooghly): This Bill is to a large extent based on the recommendations of the Income-tax Investigation Commission. The House may remember that this Commission was appointed as a result of a statute passed by the legislature, the Taxation of Income (Investigation Commission) Act of 1947 and the terms of reference were that it should make suitable recommendations with regard to the procedure for assessment and collection of taxation so as to prevent evasion thereof. Now this kind of legislation is bound to touch the business community and the general tax-payers at many points and Parliament should be particularly careful in seeing that although it has the strength of a giant, its power should not be exercised like a giant.

A heavy responsibility rests on this House to see that the tax dodgers are not allowed to escape, and at the same time, that injustice is not done and that the department acts with fairplay. Unfortunately we have to admit it with great regret, there is a feeling both among the business community and also among the taxpayers generally that the department in spite of their very wide and somewhat uncontrolled powers, have not been able to get at the big tax dodgers, but that the administration has to some extent proved an instrument of harassment and persecution of the ordinary tax-payer. We have got to find out some suitable synthesis between evasion and efficiency and between vigilance and fairplay and justice.

I think this House should publicly acknowledge and pay its tribute of gratitude to Justice Varadachari and the Members of the Commission for their very painstaking and thorough and conscientious report. I find that some of the tax-payers' associations have said that the report of the Investigation Commission has been essentially in the nature of a Judge's summing up of the counsel's arguments. That is not quite fair. The *Ex*-Chief Justice of India, as well as a Judge of great experience of the Bombay High Court, and a very able administrator, who was associated with the department in diverse capacities, have done a thorough good job. They have made a painstaking search and probed into the problems with that detachment and that impartiality which is expected of a tribunal of this eminence. They have done a great service to the State.

What is to some extent regrettable is this. Although the recommendations which went to tighten up the machinery have been accepted, some of the recommendations which were meant to mitigate the rigours of the law and which were meant to secure justice to the taxpayer and the assessee have not been accepted and implemented. The feeling naturally is one of disappointment and it will be shared by the business community, that this Parliament, if it passes this legislation in this form, is really picking and choosing and is enforcing the recommendations for one purpose, namely, to tighten the plugs and that it is not doing what is fair, what is just and what is reasonable, namely, that it is not giving effect to those recommendations which were meant to help the assessee and to bring about an atmosphere of justice and confidence and impartiality in the administration, particularly the assessing branch.

You may remember, Sir, that on one point the Commission was unanimous: that is, as to whether the Appellate Assistant Commissioners should continue to be subordinate to the department or should go directly under the Appellate Tribunal. The Bill, as it has emerged from the Select Committee, still continues the old unsatisfactory feature of the subordination of the Appellate Assistant Commissioners to the department. I still hope that the House will see that that is weeded out and the recommendation of the Commission is accepted. What did the Commission do? The Commission said,—this is a very important point and I am reading from the report, page 317.—

> "There was some ground for misgivings that Appellate Assistant Commissioners might be anxious to please the executive heads of the department and that their

decisions in appeals might, to some extent, be influenced by this consideration."

That was only natural; throughout India this misgiving prevailed and this misgiving even today prevails. Therefore, in the questionnaire that was issued by the Commission, question No. 57 asked specifically whether these Appellate Assistant Commissioners should be removed from the control of the Central Board of Revenue and whether they should be placed under the control of the Tribunal or the Ministry of Law. Now, the interests concerned were practically unanimous in the answer to this questionnaire—at least to this portion and the report said in para. 318:

> "As regards the first point, opinion was practically unanimous that Appellate Assistant Commissioners should be removed from the control of the Central Board of Revenue."

They further say—an *Ex*-Chief Justice of India, Justice Rajadhyaksha and a Member of the department were making this recommendation unanimously, I am reading from para. 319—

> "We think that the experiment begun in 1939 should be carried forward and Appellate Assistant Commissioners should be removed from the control of the Commissioners and the Central Board of Revenue and placed under the Appellate Tribunal. Their leave, transfer and posting should be in the hands of the Tribunal."

We regret to see that this recommendation is not being implemented.

This recommendation, I am sorry to say, has been characterised by one member of the present Commission in language which I think is not quite proper and not quite respectful. He said that Justice Varadachari Committee had made a doctrinaire approach. It is not a doctrinaire approach. With confidence I maintain that that is not a fair way of describing the Report. How could it possibly be expected that the Appellate Assistant Commissioners, vested with judicial functions, will discharge their duties properly, if you make their leave, their promotion, their future prospects and their transfer depend upon the sweet will of the departmental head? Therefore, they should be removed from the control of the Central Board of Revenue. Sometimes a reference is made by the Government of the country to a particular High Court and the Chief Justice and other Judges or a Full Bench decides something on a particular point. I have never known the next Chief Justice or the succeeding Judges say that their predecessors had not adequate knowledge and that they did something which was not quite right. This present Investigation Commission, not jointly, but one of the Members, has said that the Justice Varadachari Committee had not the adequate knowledge of the working of the department. That is a very very strange statement to make. Here was the Chief Justice of India, who was a Judge of great experience and a lawyer of standing; not only that, Justice Rajadhyaksha had something to do with Income-tax cases; and there was a very experienced member of the very department, who had himself been a Commissioner, and who had occupied very responsible positions in this department itself. Some of the present Members now say that their predecessors were wrong in making this doctrinaire approach because they had not the adequate knowledge. That is not correct. One Member has said, that if you have this recommendation implemented, that would be logical, that would be proper, that would make them full-fledged Judges, that would make the judiciary independent and so on. He says, remember, then, in every case when an appeal comes up before the Appellate Assistant Commissioner, the department will have to send a special representative and that would add to the cost and create administrative difficulties. I hold it is a healthy reform. The costs and administrative difficulties, I am quite sure, if the Finance Minister wishes, can be easily removed and they have got to be removed in the interests of justice and fair play. Will you not admit this, Sir; every Member of the House will realise what is happening today; why the civil judiciary commands and inspires confidence throughout the country? The same thing is not correct about the criminal magistracy because, the Subordinate Judges and District Judges are functioning under the High Court. And, therefore, they are absolutely free from any possible influence or bias or control or dictation by the executive—not that the executive in every case would abuse their position or compel them to do something against their conscience but Chief Justice Varadachariar and his colleagues have said that what is

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most important is not only that justice shold be done, but justice should manifestly seem to be done. They are saying:

> "But on the principle that not only should justice be done but that it should appear to be done and should inspire confidence in the persons concerned, we think that the present system requires alteration."

With great respect I submit that this is the correct view and this House would be stultifying itself if it does not accept that view and does not implement that recommendation.

You may remember that was also one of the directive principles of the Constitution which we have solemnly enacted. What they are saying is: "Implement that directive principle of the separation of the judiciary from the executive." And you know, Sir, in actual life that this is what has been continually emphasized by every one who has had anything to do with Courts of law or administration of justice. And this insistent demand has come from every single platform. At every session of the Indian National Congress, year after year, this was the annual function which the Congress was discharging. Every single political organization in India has been continually clamouring for the separation of the judiciary from the executive, and even today we know what is happening. There are lapses in the administration of justice because the Magistracy is still functioning under the Home Ministry or under the executive of the country.

This is not a doctrinaire approach. Why do you still say that British judiciary and British administration of the law is at the top? Because, Sir, the essential principle is:

> "Nemo debet esse Judex in propria sua Causa"—(No man can be judge in his own cause).

You remember Lord Campbell's great judgment when he set aside the judgment of his predecessor Lord Cottenham who was the Lord Chancellor of England, because he delivered judgment in a case in which a company in which he was a shareholder, holding a few shares, was involved. It was absurd to say that Lord Cottenham would be at all influenced by the fact that he was holding a few shares, for £10 or £15 in a particular company. But Lord Campbell said:

> "It is of the last importance that the maxim that no man is to be a judge in his own cause' should be held sacred. And that is not to be confined to a cause in which he is a party, but applies to to a cause in which he has an interest.....We have again and again set aside proceedings in inferior tribunals, because an individual, who had an interest in a cause, took a part in the decision. And it will have a most salutary effect on these tribunals when it is known that this High Court of last resort, in a case in which the Lord Chancellor of England had an interest considered that his decree was on that account a decree not according to law, and should be set aside. This will be a lesson to all inferior tribunals to take care, not only that in their decrees they are not influenced by their personal interest, but to avoid the appearance of labouring under such an influence."

The same thing Lord Hewart has said in a recent case where he set aside on a writ of *certiorari* the judgment of some Magistrates simply because the clerk or Registrar of that Court happened to be a member of a Solicitors' firm, and the other partner of that firm had something to do with that particular case in another capacity. The Registrar happened to go to the Judges' chamber when the Judges were holding a consultation among themselves. He only went there. The Judges affirmed an affidavit that the Registrar never spoke to them. The Registrar affirmed an affidavit that he never had any conversation, in fact, with the Judges. Yet, Lord Hewart said: "I must set aside the order. That is not British jurisprudence or British justice or any recognition of the fundamental principles of justice." He says:

> "It is said, and, no doubt, truly....."

—I am reading Lord Hewart's judgment—

> ".....that when that gentleman retired in the usual way with the justices, taking with him the notes of the evidence in case the justices might desire to consult him, the justices came to a conclusion without consulting him, and that he scrupulously abstained from referring to the case in any way. But

while that is so, a long line of cases shows that it is not merely of some importance but is of fundamental importance that justice should not only be done, but should manifestly and undoubtedly be seen to be done. The question therefore is not whether in this case the deputy clerk made any observation or offered any criticism which he might not properly have made or offered; the question is whether he was so related to the case in its civil aspect as to be unfit to act as clerk to the justices in the criminal matter. The answer to that question depends not upon what actually was done but upon what might appear to be done. Nothing is to be done which creates even a suspicion that there has been an improper interference with the course of justice."

And, therefore, he set aside the conviction. I submit my learned friend...

10 A.M.

Shri B. S. Murthy (Eluru): He is not listening. He is otherwise busy.

Shri N. C. Chatterjee: He is uncomfortable, I know.

Shri C. D. Deshmukh: I am turning my right ear to the hon. Member.

Shri N. C. Chatterjee: I quite feel that the hon. Minister feels that Justice Varadachariar and his colleagues were right.

My hon. and learned friend Mr. A. K. Basu in his dissenting minute has correctly said:

> "The Appellate Assistant Commissioner who is the judge is considered adequate to represent the department—an unusual responsibility for a judge to undertake. That party really becomes a judge in his own cause. This is a perversion of judicial procedure and is against all cardinal principles of administration of justice."

I submit that we have pleaded for the implementation of the recommendation of the Varadachariar Committee, and we are still pleading for it now, and that the correct procedure should be followed. And I think there will be no difficulty because the Income-tax Officer himself can present the case easily before the Appellate Assistant Commissioner. At one stage I thought I may not tell this House what happened in the Select Committee, I thought that the hon. Minister was going to implement this, and I hope—I wish fervently—that the hon. Minister will realize the cogency of the submission. It is very important to fill up the loopholes, very important to tighten the plugs, very important to give power to get at the tax-dodger. The Commission itself has been evasion-conscious. This House is evasion-conscious. We all know that there have been evasions, and we all realise that that should be stopped. At the same time there should be a system followed which will inspire confidence, which will not lead to persecution, because, unfortunately—I have got to say this, and I hope the experience of my hon. colleagues will support my statement in recent times (I am talking of post-independence India) there has been a good deal of delay in the disposal of assessment cases; they have been pending for years and years but they could be finished in a short time. I do not know how, but it happened. All the Chambers of Commerce have made very very strong comment on this. Chamber after Chamber and taxpayers' associations have represented this matter that nowadays this procrastination or delay is sitting business. We are planning. We are putting through the Five Year Plan and so on, but this upsets business. If these officers sit on a particular case for years to come and from time to time send for them—they have got almost uncontrolled powers for the purpose of sending for account books over and over and over again; they have got to be brought and explained—that interferes with business. That affects profit earning capacity. That disintegrates your programme. These harassments ought to be stopped if possible at the earliest date, and if the Appellate Assistant Commissioner is given this power, it will be very helpful.

I know, Sir, that the department has given some figures, that in a large number of cases the appeals had been successful and that the taxpayers got relief in many cases. It has been worked out. In one year, 1950-51, out of 60,764 appeals disposed of about 30,000 ended in decisions which modified either wholly or partially the orders of the Income-tax Officers and relief had been given to a substantial amount—to the tune of about 60 lakhs. But the Federation of Indian Chambers of Commerce has worked it out and they have pointed out that it means only average relief to the extent of Rs. 200 per case. If you take into account the number of cases, very slight relief has been given in most of

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the cases. Possibly something very extraordinary or something unfair had been done by the ITO on some point and it has been set right by the Appellate Assistant Commissioner. But if the Appellate Commissioners are really made judicial officers, then they could be vested with certain powers and it may be that some finality could be given to the decision on certain points. But that could be discussed later.

One other thing, I would request the hon. Finance Minister to take into account, i.e. charitable institutions. If you look at the recommendation which has now been made, clause 3, sub-clause (b) (1) has been altered. This amendment, if I have understood the hon. the Finance Minister, rightly, is meant to overrule the Gadodia case. Now in the Gadodia case, two Judges of the Lahore High Court have held—we shall discuss in detail later on, but I am now asking him to consider it with some attention—that the income derived by the trustees from the business of the trust was exempt. What happened in the Gadodia case was that the author of a trust handed over to the trustees a lakh of rupees and that money was utilised in the purchase of a Swadeshi store. Under the deed, the income of the trust was to be spent for charitable and religious institutions and the trustees had the right of winding up the business of the Store and in investing the sums realised therefrom in some other business according to their discretion. Now the author of the Trust reserved the right to augment the trust funds. The question was whether the income derived by the trustees from the business of this Swadeshi Store was exempt from assessment of income-tax under section 4, sub-section (3). The Lahore High Court Division Bench consisting of Justice Din Mohammad and Justice Sale held that it was so. They pointed out that the structure of section 4(3) was such that it was meant to help these charities and, therefore, they decided against the department.

Now, what the Select Committee has done is to overrule that case by making a proviso 4(3) (1) (a)—which will mean reversal of the Gadodia case. Now, what I am pointing out is this: will that be fair, Sir? I would like the hon. the Finance Minister to realise this Sub-clause (1) says—exempt income derived from property held under trust for charitable purposes. Sub-clause (1) (a) says that you should exempt income derived from business carried on on behalf of a religious or charitable institution when the income is applied soley to the purpose of the institution. Now, the two things are different. How can you make sub-clause (1) (a) a proviso to sub-clause (1). One deals with income of property held under trust for a religious or charitable purpose. That is one thing. But there are hundreds of institutions in this country where there are no Trusts, where property is not held under trust, but there is income derived still from business and that business is carried on on behalf of some charitable institution. I think the D.A.V. College is carrying on businesses purely on behalf of their religious or charitable institution. They would be hit. If you make that proviso, what will happen is that unless there is some property held under trust, then this proviso replacing sub-clause (1) (a) cannot be invoked. The judges said that if it was the intention to help the department by roping in this kind of income of the Swadeshi Store, then (1) (a) would have been a proviso. There is a stray observation, a sort of *obiter dictum* which is utilised by the department. I do not know whether Mr. Tyagi is responsible or the department is responsible. Anyway (1) (a) is sought to be made a proviso. What I am pointing out is that these two are meant to give benefit of exemption in two different categories of cases, and if you make (1) (a) such a proviso, it will not be fair. Many many institutions, like a College which has a small publishing business or a bookshop selling books to its own students and makes a profit, will be taxed, if you make this a proviso. There cannot be any question of exemption. Is that the intention of the Government? I thought it was not the intention. If that is not the intention of the Government, then the opening words would control the proviso.....

Shri Tyagi: I thought that instance was amply covered in this.

Shri N. C. Chatterjee: If the Minister says that he has read Maxwell's 'Interpretation of Statutes' and on his interpretation it is put here, I will accept it. But as I read it, Sir, it will not be covered. Because immediately you make such a proviso, then the opening words of the section will be that it must be property held under trust before you can invoke the proviso. I ask him to consider it and if necessary, to take further advice. I think that that is not the intention,

but if you make it a proviso, then this unwarranted thing may happen, and that may lead to trouble.

There are one or two other things, Sir. The hon. the Finance Minister has pointed out that uptil now we are getting a small mercy from the department in the shape of some interest—2 per cent.—on advance payments of tax. Now, if I remember correctly, Justice Varadachari's Committee said that 2 per cent. is very small and it should be made 4 per cent. But as the Bill now stands before you, even that 2 per cent. is gone. Therefore not merely we are losing the benefit of the recommendation—of having a higher rate of interest, 4 per cent.—we are even going to lose the 2 per cent. which we have enjoyed. I do not think, Sir, that that is fair.

There are certain other things which we shall deal with later in detail.

Shri Altekar (North Satara): I must congratulate the Finance Minister for the concessions that he has given in this Income-tax Bill. But there are certain other points which should also be considered. I know that however the Finance Minister may choose to be generous there will always be 'Oliver Twists' standing at his door.

The other day when speaking on the Finance Bill I had requested that the case of the joint stock banks should be taken into consideration for giving them funds from the Reserve Bank of India on easy credit for financing agricultural operations. Now, so far as regards these non-scheduled banks are concerned, I would like to suggest that they should be given some concession in the income-tax which they are required to pay, i.e. as regards the profits that are carried to the reserve fund by these banks, they should be exempt from taxation until they reach the level of the paid up capital of these companies.

That is one thing and another point that I would like to urge is that so far as super-tax is concerned, Joint-Stock non-scheduled Banks with a working capital of less than Rs. 25 lakhs should be given another concession; that is, they should be exempt from super-tax below Rs. 25,000. These are the two concessions that I would like to urge on this occasion and they should be favouraoly examined and considered by the Finance Minister.

Now, for the purposes of the development of agriculture, it is highly desirable that the agriculturists should have sufficient advances given to them and that the co-operative companies and other sources are not sufficient for supplying their needs. If these Joint-Stock Banks which are doing good work in the rural areas and are under the direct control of the Reserve Bank under sections 35, 36 and also 21(1) are given concessions, I believe that they will be in a position to supply the needs of the agriculturists and that would help to a great extent in stepping up our agricultural production and meet the wants of the agriculturists. That is one thing I would like to urge.

Another point is in connection with Mutual Insurance Companies. According to Chapter IV of the Insurance Companies Act, the Mutual Companies and also the Co-operative Insurance Companies are placed on the same footing. There is no profit-making intention in the administration of both. All the policy-holders are the persons who share. As a matter of fact, there are no share-holders as such and therefore when under the Co-operative Societies Act, the Co-operative Insurance Companies have been favourably considered why should these Mutual Insurance companies be not so considered? There is absolutely no difference between the working of these two companies, that is, the Mutual Insurance Companies and the Co-operative Insurance Companies and they both stand on the same level without any sort of differentiation as between them. Of course, I thank the hon. the Finance Minister for having shown a concession by exempting 80 per cent. in the case of all the Insurance companies. The level has been raised from 50 to 80 per cent. If we take into consideration, the position of these Mutual Companies, it will be found that the Capital companies, under the present order that has been set up, will get more benefit than these Mutual Insurance Companies, because, in the case of Capital companies, that is, the share-holder companies, those share-holders who do not pay income-tax or a tax which is not up to the limit that has been taxed on these insurance companies, they get a rebate and that particular advantage is not available to the Mutual Insurance Companies because they are all policy-holders. Usually, the policy-holders, a very large majority of them, are not paying income-tax because they do not earn income which is taxable. Therefore, they deserve greater concession than the share-holder companies. From that point of view, if

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an approach is made to the case and the Mutual Insurance Companies are given a concession as has been given to the Co-operative Insurance Companies, I believe that great justice will be done to them and that an incentive will be given for the formation of Mutual Insurance Companies. So far as the loss is concerned, I believe that for the time being the loss will not be more than 2 or 3 lakhs of rupees a year, and, during the next 5 years, it will not amount to more than 5 lakhs of rupees. That should be considered and an approach should be made to that case and that should be carefully examined and sympathetically given attention to.

Another request that I would like to make is in connection with clause 12 of the present Amendment Bill, which is rather hard on the employees. If the employer fails to pay the income-tax deducted at source, then the employee will be again made to pay the tax, though it has been deducted at the source by the employer. It will be a double hardship and rather such vicarious liability should not be placed on the employee and an attempt should be made to realise the tax from the employer himself. If that is done, I believe the employee will not be labouring under any hardship.

These are the points that I would like to urge for favourable consideration by the Finance Minister and I will not take any more time of the House.

Shri Bogawat (Ahmednagar South): This is a Bill wherein the revenue of the State is concerned to a large extent, and it is quite necessary that the person who is evading income-tax must be brought to book. Formerly there was a practice—there were examiners who used to examine and scrutinise the accounts. Now this practice is stopped. The Examiner used to scrutinise the accounts and see almost all the accounts and find out if there were bogus accounts and transactions in the bogus accounts. And then the I.T.O. used to scrutinise the accounts. Now, these Examiners are stopped and only the Income-tax Officers are scrutinising the accounts. I am very sorry to say that these Income-tax Officers, who are supposed to be District Officers, get very little time to scrutinise the accounts properly. They do not come to office even by twelve or half-past-twelve and want to go to the Club and leave office at half-past four. That is my experience of the last so many years. They examine a few accounts, see something here and there and finish the examination. By such a practice we do not get the accounts properly scrutinised and lose a large revenue. I submit that the former practice of scrutinising the accounts by the Examiner as well as the Income-tax Officer should be introduced; because, if the Examiner could not find out something, then, even the Income-tax Officer used to see other accounts and would find out many things. Here, I must say that it is a good thing that the Inspectors are appointed under the Statute. But the statutory duties of the Income-tax Inspectors are not mentioned. It is quite necessary to mention what are the statutory duties of this officer. He has got out door duties but he cannot search and attach the accounts. During the last 12 years, there would be very few people or assessees who have not evaded income-tax. The capitalists, industrialists and businessmen have earned lakhs and crores by black-marketing also. They have earned so much that their estates have gone four, five or even ten times their estates previous to the war time. Though some people tried to disclose something during the last few years, I think they have not disclosed everything and, therefore, it is quite necessary that the Inspectors should be given the right to attach accounts. There are different sets of accounts kept by the industrialists and the capitalists and these can be attached if powers are given to these officers to attach the accounts. I am sure that the black-marketeers have not put in all their transactions in their accounts and they are keeping some other accounts and it is quite necessary that there should be power to some officer to attach the accounts and search the accounts and get these transactions examined. If this power is given, then, I am quite sure that so many things would come out. But, as these powers are not given to some officer, they are not able to attach and search the accounts and, therefore, the State is losing a large revenue.

After the Inspector I come to the Income-tax Officer. The Income-tax Officer, getting a few hundred rupees salary comes in contact with very big persons who are the masters of lakhs and these officers can easily be pocketed. There are several instances, which may come to light if a proper enquiry is made, that many of them are very corrupt and they have

earned thousands and lakhs owing to bribery given by the business people. Here, I must say that though it is difficult to prove the actual bribes taken, if we make enquiries regarding the estates of the officers and the estate in the name of their relations, we will find what is going on.

As regards the appellate authority, I am at one with Mr. Chatterjee, because the appellate authority is a judicial authority and Government is of the view that the judiciary should be separated from the executive. Unless this is done, proper justice cannot be obtained. That is my experience. The Finance Minister will agree with me that if a person belonging to the executive sits as an appellate authority or as a judge, proper justice cannot be secured. Therefore, it is necessary that these Assistant Commissioners should be judges. Let there be some method devised, by which the income-tax officer or some other person may appear on the side of the Government, but let there be proper justice. It is the cardinal principle of jurisprudence that the executive and the judiciary must not consist of one and the same officers.

Secondly, I suggest that these Appelate Commissioners should not be subordinate to the Commissioners. They must be directly subordinate to the tribunal and the reasons given in this regard by Mr. Chatterjee are quite according to the principle of justice and this change is quite necessary.

After saying this, I want to suggest an amendment to Section 5A. After sub-Section (7) of Section 5A, the following should be added:—

> "(7A) The Central Government may appoint as many Appellate Judges of Income-tax as it thinks fit;
>
> (7B) Appellate Judges of Income-tax shall be under the control of the Appellate Tribunal and shall perform their functions in respect of such persons or classes of persons or such income or classes of incomes or in respect of such areas as the President of the Tribunal may direct and where such directions have assigned to two or more Appellate Judges of Income-tax the same persons or classes of persons or the same income or classes of incomes or the same area in accordance with any orders which the President of the Tribunal may make for the distribution and allocation of the work to be performed."

This amendment is quite necessary. If it is carried out, there would be justice.

Moreover, the Assistant Commissioners who are appointed as appellate authorities are drawn from different districts. They do not know the language and cannot read and check the accounts. So there must be some such person as Appellate judge who can read the accounts, who can understand the language, and who must be drawn from the territory or province where he is posted. That is a very essential thing. I have personal knowledge of a person from Bengal being appointed as the Appellate Commissioner in Bombay. The accounts could not be understood by him and there is nobody to explain the accounts. What is the use of such an authority sitting as the judge, when he cannot go into the accounts or look into the evidence? Sometimes, whatever is said is misunderstood by him.

The Finance Minister said something about the expression "previous year". I humbly differ from him. There should be an amendment made. Supposing an assessee begins his business in August and he has some balance and he closes his accounts the next year during Divali, there may be fourteen months instead of twelve. There should be an option given to the assessee to get the account books examined for more than twelve months and there should be an amendment to Section 11(1) (b).

As regards depreciation, I want to make one point clear. Supposing some assessee has started purchasing machinery. There is some doubt as regards the purchase of secondhand machinery. It should be clarified what depreciation should be given. It should not be taken as new, although the concern is new and the assessee is entitled to initial depreciation. Some clarification is therefore necessary regarding the words "new machinery set up".

I want to make one suggestion regarding the discretionary powers of the appellate authority. Under Section 5 of the Limitation Act, proper discretion is used and even though the appeals may be out of time, in *bona fide* cases they are admitted and heard on merits. But I find that the Income-Tax Department takes advantage of the limitation, and if there is

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a delay of a few days, the appeals are rejected. This is a great injustice and proper discretion should be used as is done in civil matters.

Now, coming to Section 35, the position is that in practice the assessee has to submit along with the appeal memo a demand notice. Sometimes, it appears that the assessee fails to supply the amended notice of demand or he supplies the amended notice of demand and fails to supply the original notice of demand. All this causes confusion and on technical grounds the appeal is sometimes rejected. This is also a great injustice. So, there must be an amendment here. The position as regards such contingencies should be clarified and powers given under the Statute to the Appellate Assistant Commissioners in favour of the assessee who is likely to make a technical mistake in this behalf should be made clear.

As regards dodging activities, if some information is obtained by the Income-Tax Department, the entire burden should not be put on the person giving the information. His *bona fides* should be seen and there should be a minute enquiry, and the offenders should be brought to book. Even though some people who have evaded income-tax disclose some profit, I am quite sure that if a proper enquiry is made, more evasion can be brought to light. There should be an attempt made in this respect.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): For what is Section 34 intended?

Shri Bogawat: I have suggested that examiners should be mentioned in sub-clause (6) (f) and their duties should be to examine the accounts under Section 5.

These are the few suggestions I wanted to make. My point is that the State should not lose its revenue; at the same time, there should not be any harassment or persecution caused to the assessee. In these days of democracy, there should be proper justice. My suggestion regarding the appellate authority may kindly be considered. As regards the other points, I hope the Finance Minister will consider them.

पंडित ठाकुर दास भार्गव (गुड़गांव): जनाब, डिप्टी स्पीकर साहब, इस बिल पर बहस करते हुए मैं अदबसे अर्ज करना चाहता हूं कि दरअसल गवर्नमेंट का और इस हाउस का मंशा यह है कि टैक्स लोग दुरुस्त तौर पर दें और साथ ही नावाजिब तौर पर डिपार्टमेंट लोगों पर सख्ती न कर सके। इन दोनों चीजों में गवर्नमेंट और हाउस का एक ही मंशा है। लेकिन बहुत से केसेज (मामलों) में देखा जाता है कि लोग जानबूझकर गवर्नमेंट को टैक्स नहीं देते, टैक्स इवेजन (कर-अपवंचन) करते हैं, वह उसको कोई जुर्म नहीं समझते, कोई पाप नहीं समझते और कोई बुरी चीज नहीं समझते। पुराने जमाने में बहुत सारी रूलिंग्स (विनिश्चय) हाई-कोर्टस् ने दीं कि अगर लीगल इवेजन हो सकता हो तो यह जायज चीज है और उसको करने में कोई नुकसान नहीं है और यह उसूल यहां तक बढ़ा कि अगर कोई सरकार को धोखा दे और उसको टैक्स न अदा करे, तो उस शख्स को न तो बिजनेस कम्युनिटी में बुरा समझते हैं और न ही पब्लिक माइंड में उसको बुरा समझा जाता है, यह हालत निहायत खराब है कि पब्लिक माइंड और पब्लिक ओपीनियन (जनमत) और कानून का ऐसा ख्याल बन गया है, लेकिन इसके वास्ते महज पब्लिक ही जिम्मेदार नहीं गवर्नमेंट भी जिम्मेदार है। गवर्नमेंट ने अभी ऐसे कानून बना रखे हैं जिनसे लोगों को इनकमटैक्स डिपार्टमेंट पर कोई कानफिडेंस (विश्वास) पैदा नहीं होता, इस वास्ते सबसे पहले जरूरी चीज यह है कि अगर गवर्नमेंट यह चाहती है कि लोग अपना टैक्स अदा करें, राजी खुशी अदा करें और भरोसा रखकर अदा करें, तो वह ऐसे कानून बनाये और सर्कुलर्स (परिपत्र) जारी करे जो ईमान पर मबनी हों और जिनसे लोगों में उस डिपार्टमेंट के प्रति विश्वास पैदा हो सके कि वहां हमारे साथ पूर्ण न्याय किया जायगा और एक पैसा भी जो वाजिब नहीं है, नहीं लिया जायगा। मैं कई केसेज ऐसे जानता हूं जिनके अन्दर सरकार के एक

अफ़सर ने टैक्स लगाया । टैक्स लगने के बाद जो एसेसी था उसने कहा कि मैं उसके खिलाफ अपील करूंगा और उसने प्रार्थना की कि जब तक अपील का फैसला न हो जाये, इस टैक्स की अदायगी के हुक्म को ठहरा दिया जाय, लेकिन हुक्म का ठहराना बहुत मुश्किल है और जब तक टैक्स का रुपया दाखिल न हो जाये, बड़े इनकमटैक्स के जो आफिसर हैं वह ठहराते नहीं हैं और रुपया तो एसेसी को दाखिल करना ही पड़ता है और अगर वह रुपया वक्त पर दाखिल न करे, तो पेनालिटी लगती है और पेनालिटी की कोई अपील नहीं है । मैं एक केस की बाबत जानता हूं जिसमें एक शख्स के ऊपर इनकमटैक्स आयद किया गया, और चूंकि वह रुपया दाखिल नहीं कर सकता था, उसने दरख्वास्त दी कि उसका रियलाइजशन स्टे किया जाय लेकिन नतीजा यह हुआ कि उस पर इनकमटैक्स आफ़िस ने कई हजार रुपये की पेनालिटी लगा दी, बाद में उस पर से इनकमटैक्स जो लगाया गया था वह तो अपील में माफ़ हो गया, लेकिन जो पेनालिटी उस पर लगाई गई थी, वह तो वसूल कर ही ली गई और पेन लिटी उसको वापिस नहीं हो सकी । मैं अदब से पूछना चाहता हूं कि जब बड़ी अदालत ने यह क़रार दिया कि उस पर इनकमटैक्स लगाना ही नहीं चाहिए, तो उस पेनालिटी को उस पर लगाने के क्या मानी, और जब तक इस क़िस्म के क़ानून इनकमटैक्स डिपार्टमेंट जारी रखता है, तब तक उन्हें यह उम्मीद भी नहीं करना चाहिए कि लोग इन्कमटैक्स डिपार्टमेंट पर कभी भरोसा करेंगे । इस वास्ते मैं फाइनेंस मिनिस्टर की खिदमत में अदब से अर्ज करना चाहत हूं कि कम अज कम इस चीज को नामुमकिन बनादें कि जब उनका अपना अफ़सर या कोई ट्रिब्यूनल यह क़रार दे दे कि एक शख्स टैक्स देने का जिम्मेदार नहीं है, तो जो पेनालिटी ठीक वक्त पर रुपया न दाखिल करने के एवज उनसे वसूल की गयी, वह पेनालिटी तो उससे उस हालत में वसूल न की जानी चाहिए। आज यह हालत है कि एक शख्स के बारे में यह करार दे दिया जाता है कि वह इनकमटैक्स देने का जिम्मेदार नहीं है, लेकिन ताहम पेनालिटी उससे वसूल की जाती है, जब ऐसी हालत हो तो लोग अगर डिपार्टमेंट को धोखा देना चाहें, तो इसमें उन बेचारों का क्या कसूर है

दूसरी बात मैं यह अर्ज करना चाहता हूं कि जब तक डिपार्टमेंट अपने रवैये से यह जाहिर नहीं करता कि वह किसी से एक कौड़ी भी ज्यादा नहीं लेना चाहता, सिवाय उसके कि जो क़ानूनन जायज है और डिपार्टमेंट यह चाहता है कि किसी के साथ बेइंसाफी न हो, जब तक डिपार्टमेंट इस उसूल पर नहीं चलता, मुझे अफसोस के साथ कबूल करना पड़ता है कि मैं किसी ऐसे एसेसी को जो क़ानून की जद से बचकर रहना चाहता है, मैं उसको बुरा नहीं कह सकता । मुझे अफसोस है कि मेरे मुशाहिदे में यह बात आयी है कि इस देश में इनकमटैक्स डिपार्टमेंट में फोर्जरी बहुत ज्यादा बढती जाती है । जो लोग एसेसमेंट कराने के वास्ते जाते हैं वह दो २ बहियों का हिसाब रखते हैं और तरह २ की कार्रवाइयां करते हैं और इस जिम्न में हम वकील लोग भी किसी हद तक जिम्मेदार हैं । आज जो इतनी पर्जरी और फ़ोर्जरी बढ़ रही है, उसके लिए एसेसी ज्यादा करके जिम्मेदार है, लेकिन डिपार्टमेंट का भी एक तरह से इसमें इनडाइरेक्ट कंट्रीब्यूशन रहता है, क्योंकि न तो डिपार्ट ऐसे आदमियों को पकड़ कर उन पर मुक़दमा चलाता है और न ही अपने क़ानून को ठीक करता है। मेरा यह दावा है कि अगर इनकमटैक्स डिपार्टमेंट ठीक तरीक़े से काम करता और जो अख्तियारात उसको इनकमटैक्स ऐक्ट के मातहत मिले हुए हुए हैं, उनको ठीक तौर से इस्तेमाल करता तो यह खराबी इस हद तक न पहुंचती जिस हद तक आज

[पंडित ठाकुरदास भार्गव]

पहुंची हुई है। इस सिलसिले में क्या मैं अदब से अपने फ़ाइनेंस मिनिस्टर साहब से पूछ सकता हूं कि उनके इनकमटैक्स विभाग ने कितने मुक़दमात ज़ेर दफ़ा ४७६ ग़लत स्टेटमेंट और ग़लत रिटर्नस् देने के बारे में आज तक फ़ेम किये और कितने केसेज़ में डिपार्टमेंट ने परवाह की और कितने को प्रासीक्यूट किया गया ? इस बारे में अगर आप मुलाहिज़ा करेंगे तो देखेंगे कि दरअस्सल इनकमटैक्स डिपार्टमेंट वाले खुद इस पालिसी के हामी हैं और वह नहीं चाहते कि किसी के ऊपर फ़ौजदारी का मुकदमा बनाया जाय या वह झगड़े रगड़ में पड़ें। वह तो चाहते हैं कि किस इनकमटैक्स रूस की रूल से या किसी तरह से भी जितना रुपया बटोरा जा सके, वह बटोरा जाय, मेरी राय में इनकमटैक्स डिपार्टमेंट का यह हरगिज़ काम नहीं है। उस विभाग का तो काम है कि लोगों को अपने प्रति भरोसा दिलाया जाय ताकि एसेसी जो इनकमटैक्स आफीसर के सामने जाता है उसको इस भरोसे के साथ जाना चाहिए कि वहां पर हमारा दोस्त, और क़ानूनी गार्जियन इनकमटैक्स आफिसर बैठा है और वह मेरे जिम्मे एक पैसा भी जायद नहीं लगायेगा जिसकी क़ानून उसे इजाज़त नहीं देता.....

श्री आर० के० चौधरी (गौहाटी) : ऐसेसी को तो उस के पास जाते ऐसा लगता है मानों वह शेर के पास जा रहा हो।

पंडित ठाकुर दास भार्गव : उसके दिल में ऐसा ख्याल नहीं आना चाहिए कि मुझको इनकमटैक्स अफिसर खा जायेगा, और फाड़ खायेगा बल्कि उसको उसके पास यह भरोसा और विश्वास लेकर जाना चाहिए कि मुझ पर ठीक और वाजिब टैक्स लगाया जायगा, अगर ऐसे हालात पैदा हो जायें तो मैं जानता हूं कि बहुत सारे आदमी इस वियू (मत) के होंगे कि टैक्स ठीक दिया जाय, लेकिन हम क्या पाते हैं, इधर एसेसी को इनकमटैक्स विभाग पर बिल्कुल भरोसा नहीं है और उधर इनकमटैक्स आफ़िसर्स अपने रवैये से यह ज़ाहिर नहीं करते कि वह एसेसी का दोस्त है और गार्जियन है और वह हर चीज़ जस्ट और कानूनन् करता है और पब्लिक सपोर्ट और एक पैट्रियाटिज़्म की भावना को लेकर काम करता है कि जिससे वह लोगों के दिलों में भरोसा और विश्वास पैदा करने में समर्थ हो सके।

अभी जनाबवाला के रूबरू बड़े ज़ोरशोर से बहस की गयी है कि एपेलेट असिस्टेंट कमिश्नर को सी० बी० आर० के मातहत न रखा जाये और जुडीशिएरी का एक्ज़ीक्यूटिव से सेप्रेशन किया जाय, हमने अपने कांस्टीट्यूशन में इसको एक ऐसा उसूल समझा था कि जो सही उसूल है और भारतीय संविधान के अन्तर्गत हमने पास किया है कि एक्ज़ीक्यूटिव और जुडीशिएरी का सेप्रेशन होगा। आज ऐसा करना मुश्किल चीज़ भी नहीं है और इसके पक्ष में इनवेस्टिगेशन कमीशन की भी राय है और मैं इस हाउस के अन्दर इससे पहले भी आपकी खिदमत में अर्ज़ करता रहा हूं कि इस रिफार्म को जल्द अज़ जल्द कर दिया जाय, लेकिन मुझे दुःख है कि इसकी तरफ़ सरकार ने तवज्जह नहीं दी। मैं इस चीज़ को तो मानने को तैयार हूं कि अगर जुडीशिएरी और एक्ज़ीक्यूटिव का सेप्रेशन हो गया और एपेलेट असिस्टेंट कमिश्नर सी० बी० आर० के मातहत न रहा, तो किसी हद तक शायद इनकमटैक्स की वसूली में कमी हो जाय, क्योंकि हर एपेलेट असिस्टेंट कमिश्नर क़ानूनन् ख्वाह वह कुछ कहता रहे, इसमें शक नहीं कि वह हमेशा महसूस करता है कि उसका प्रमोशन, ट्रान्सफ़र और फ्यूचर प्रास्पेक्टस हर एक चीज़ सी० बी० आर०

के मातहत है और वह आज़ादाना तौर पर काम नहीं कर सकता है। मैं जानता हूं कि फ़िगर्स देकर कहा जाता है इतनी अपीलें मंजूर हो गयीं, लेकिन अगर उनको स्क्रुटनाइज़ किया जाय तो मालूम पड़ेगा कि अपीलें मंजूर करने की बहुत और फ़िगर्स बढ़ाने की तरकीबें हैं, वह छोटी बात की अपील मंजूर कर सकता है और बड़ी रक़म का सब्सटैंशियल रिलीफ इनकार कर सकता है, क्योंकि उसके सर पर सी. बी. आर. और कमिश्नर साहब बैठे हुए हैं, वह असिस्टेंट एपेलेट कमिश्नर को बुलाते हैं और हालांकि उनको इसका अधिकार तो नहीं है, लेकिन तरकीब से पूछते हैं कि तुमने इस केस में क्या किया और इस तरह उसको इन्फलूएन्स किया जाता है, यह मैं आपको अन्दर की वर्किंग की बात बतलाता हूं, मैं जानता हूं कि यह सच बात है कि असिस्टेंट एपेलेट कमिश्नर सी० बी० आर० के मातहत होने से उनकी आजादी पर असर ज़रूर पड़ता है।

जो उसूल बयान किये गये वह उसूल तो अलग छोड़ दीजिए, मैं तो सीधी बात जानता हूं कि जिस जज पर मुझे भरोसा नहीं है, मुझे मालूम है कि फलां जज की वायरपुलिंग पीछे से हो सकती है तो उस पर मुझे भरोसा हो ही कैसे सकता है, उससे हमें तसल्ली नहीं हो सकती है। मैं निहायत अदब से अर्ज करूंगा कि इसमें कोई शक नहीं है कि शायद आपके रास्ते में थोड़ी बहुत ऐडमिनिस्ट्रेटिव डिफिकल्टीज़ हों, लेकिन यह रिफार्म ऐसा है जोकि फौरन किया जाना चाहिए, इसमें जरा भी देरी नहीं करनी चाहिए। अगर ऐसा किया गया तो इसका नतीजा यह निकलेगा कि एसिस्टेन्ट कमिश्नर मातहत होजायेंगे ऐपेलट ट्रिब्यूनल के या ला मिनिस्टर के या किसी और के। कम से कम वह सेन्ट्रल बोर्ड आफ रेवेन्यू के मातहत नहीं होगा।

दूसरी चीज़ इसके अन्दर यह कही जा सकती है कि इसके अन्दर ऐडमिनिस्ट्रेटिव डिफिकल्टीज़ हैं और सेलेक्ट कमेटी के रूबरू भी कुछ डिफिकल्टीज़ बयान की गई थीं। लेकिन मैं जानता हूं कि अगर हमारे फाइनेन्स मिनिस्टर साहब चाहें तो इन ऐडमिनिस्ट्रेटिव डिफिकल्टीज़ को बिल्कुल आसानी से दूर कर सकते हैं। एक मौके पर हमें उम्मीद भी थी कि वह हमारी इस तजवीज़ को पसन्द भी करेंगे और इस चीज़ को कराने में हमारे साथ शामिल होंगे कि इन डिफिकल्टीज़ को दूर कर दिया जाये। और जहां तक मैं समझता हूं उन्होंने इसके लिए कोशिश भी की क्योंकि वह चाहते थे कि जिस चीज़ पर एतराज़ है वह हटा दी जाय। लेकिन वह न हटा सके। मैं निहायत अदब से अर्ज करना चाहता हूं कि अगर आज ऐसी मुश्किलात हैं जो ओवरकम नहीं हो सकती हैं तो वह अभी नहीं बरस दो बरस में इस रिफार्म को ज़रूर कर दें और हम समझते हैं कि सारे इनकमटैक्स डिपार्टमेन्ट पर इसका निहायत अच्छा असर पड़ेगा।

जनाब वाला, एक चीज तो यह थी लेकिन इससे ज्यादा जरूरी चीज मैं आपको अब बतलाना चाहता हूं। ऐपेलेट ऐसिस्टेन्ट कमिश्नर तो एक ऐसी चीज है जो कि जुडिशल आफिसर है और अगर रिफार्म हो गया तो वह इन्डेपेन्डेन्ट हो जायेगा ऐपेलेट ट्रिब्यूनल भी हम जानते हैं कि इन्डेपेन्डेन्ट बाडी है। लेकिन आज जो इनकमटैक्स आफिसर एक ऐसी चीज़ है कि जो इन्वेस्टीगेटिंग आफिसर होता है वही ऐसेसिंग आफिसर होता है। उन दोनों की जो पावर्स हैं और जैसे वह काम करते हैं उस पर अगर हाउस तवज्जह करे तो मालूम होगा कि दरअसल वह कई एक ताकतों का मुरक्कब होता है। मसलन इनकमटैक्स आफिसर खुद ही तहकीकात करता है कि फलां शख्स की क्या इनकम है और खुद ही उस पर ऐसेसमेन्ट करता है। दोनों काम वह करता है।

[पंडित ठाकुर दास भार्गव]

वह सब इन्स्पेक्टर पुलिस भी और वही जज भी है। उसके सामने सूरत यह नहीं है कि किसी इन्स्पेक्टर ने मसाला इकट्ठा किया और उसने जुडिशल तौर पर फैसला कर दिया, लेकिन मैं इसकी शिकायत नहीं करता, हमारी अपनी हालात और मौजूदा वक्त में यह अच्छा नहीं होगा कि इनकमटैक्स आफिसर जो है वह खुद ही ऐसेसर और इन्वेस्टिगेटर न हो। ऐसी सूरत में हम इसे दूर नहीं कर सकते। इसलिए मुझे इस पर्सनैलिटी पर जोकि मिक्स्ड पर्सनैलिटी है इतना एतराज नहीं है, लेकिन मुझे इससे कहीं ज्यादा सख्त ऐतराज इस पर है कि जो इनकमटैक्स आफिसर खुद टैक्स कायम करता है उसको इजाजत न दी जाये कि वह अपनी कान्शिएन्स के मुताबिक जो उसका फैसला हो उसको इम्प्लीमेंट भी कर सके और टैक्स ले सके। इस ला की सबसे बड़ी खराबी यह है कि एक शख्स जिसका नाम इन्सपेक्टिंग ऐसिस्टेन्ट कमिश्नर है वह ऐसा अजीब शख्स है जिसके रूबरू ऐसेसी कभी जाता नहीं, वह कभी ऐसेसी से बात नहीं करता और न वह उसकी बात सुनता है, अपने आप ऐसेसी की बैक पर हुक्म दे देता है कि उस शख्स के खिलाफ कार्रवाई की जाये। बेचारा इनकमटैक्स आफिसर क्या करे ? उसकी अपनी इन्टेलेक्ट तो मार्टगेज्ड है, उसको हुक्म देना पड़ता है। असल में वह हुक्म होता है इन्सपेक्टिंग ऐसिस्टेन्ट कमिश्नर का लेकिन इनकमटैक्स आफिसर को वह हुक्म अपने नाम से देना पड़ता है। फिलवाक्या इसमें इनकमटैक्स आफिसर की जिम्मेदारी नहीं है क्योंकि उसकी इन्टेलेक्ट तो मार्टगेज्ड है। मैं कहना चाहता हूं कि अगर आप इन्साफ करना चाहते हैं तो पहला उसूल यह है कि ऐसेसी को मालूम हो कि उसके खिलाफ ऐसिस्टेन्ट इन्सपेकटिंग कमिश्नर ने क्या लिखा है। ऐसिस्टेन्ट इन्सपेक्टिंग कमिश्नर ऐसेसी को बुलावे और उससे पूछे कि वह क्या जवाब देता है। जनाबवाला मुलाहिजा फर्मायेंगे कि अब भी हमने इस क़ानून में लिखा है कि ऐसिस्टेन्ट इन्सपेक्टिंग कमिश्नर जो इन्स्ट्रक्शन चाहे इनकमटैक्स आफिसर को भेज सकता है और ऐसेसी को पता तक नहीं लगेगा कि क्या इन्स्ट्रक्शन्स दिये हैं। इसमें कोई शक नहीं कि जो बिल की पहली तजवीज थी उसको हमने रद्द कर दिया लेकिन ताहम उस असर से हम उसे नहीं बचा सकेंगे जोकि इन अल्फाज के अन्दर है। इन्ही अल्फाज की वजह से मैंने इस कमेटी की रिपोर्ट में एक डिसेन्टिंग नोट दर्ज किया है जिसके अन्दर मैंने लिखा है कि कम से कम बिल में यह बात दर्ज होनी चाहिए कि अगर ऐसिस्टेन्ट कमिश्नर ऐसे इन्स्ट्रक्शन्स देता है तो वह फाइल में शामिल हों। उनको फाइल में दर्ज किया जाये और ऐसेसी को अख्त्यार है कि वह अपील करे। और कुछ कह सके। या उसको सीधा बुलाया जाये और ऐसिस्टेन्ट कमिश्नर ऐसेसी को बुलाकर इन्स्ट्रक्शन्स दिखाये। यह भी किसी कदर इन्साफ के मुताबिक होगा। लेकिन इस किस्म से उसकी बैक पर सारी कार्यवाही की जाये यह बिल्कुल ठीक नहीं है। जनाबवाला को खुद मालूम है कि कितने लोग शिकायत करते हैं, ऐनानिमस शिकायत के तौर पर ऐसेसिंग इन्स्पेक्टर्स लोगों की बैक पर सब कुछ तय करते हैं और हुकम देते हैं यह हुक्म अपील की बुनियाद को ही सील कर देता है। यह कतई वाजिब नहीं है। वाजिब यह है कि आप जिस तरह भी चाहें टैक्स लें, लेकिन ऐसेसी को मौका दें कि वह अपनी अर्ज पेश कर सके और बतला सके कि यह चीज जो आप मेरे खिलाफ करते हैं वह दुरुस्त है या गलत है। जब तक यह नहीं किया जाता कि इन्सपेक्टिंग ऐसिस्टेंट कमिश्नर के सामने

ऐसेसी अपनी बात रख सके या इनकमटैक्स आफिसर से अपील कर सके और जब तक ऐसेसिंग इन्सपेक्टिंग कमिश्नर सीक्रेट इन्स्ट्रक्शन्स भेजता है तब तक कैसे इन्साफ लोगों को मिल सकता है ? मैं तो कहता हूं कि यह जो एकजेक्टिव जुडिशल की जुदायगी का मामला है उससे कहीं ज्यादा डेन्जरस चीज है जो मैं पेश कर रहा हूं। मैं निहायत अदब से अर्ज करूंगा कि कम से कम इस चीज को हाउस को हर्गिज नहीं मानना चाहिए। कानून का पहला उसूल है कि जब किसी शख्स के खिलाफ हुक्म जारी करें तो उस शख्स को मालूम होना चाहिए कि मेरे खिलाफ क्या एविडेन्स है। क्या चीज है, क्या इन्स्ट्रक्शन्स दिये गये हैं ताकि वह चाहे तो उसके खिलाफ अपील कर सके।

इसके अलावा जनाब मुलाहिजा फरमायेंगे कि यहां पर सबसे बड़ी शिकायत जो इन्कम टैक्स डिपार्टमेंट की होती है और जिससे पब्लिक को बहुत परेशानी है वह इनकम टैक्स डिपार्टमेन्ट की देरी है इस डिपार्टमेन्ट के अन्दर कई बरस तक फैसलें नहीं होते। आज एक आदमी ने पचास हजार रुपया कमाया, पांच छः वर्ष तक उस पर टैक्स नहीं लगा, यहां तक कि वह सब रुपया खर्च हो गया। इनकमटैक्स डिपार्टमेंट भी सही है कि वह पैसा मांगता है, यह उसका फर्ज है, लेकिन जिस शख्स ने पैसा खर्च कर दिया वह कहां से लाये। इसलिए जरूरत है कि इस काम में कम से कम डिले हो। फौरन से फौरन ऐसेसमेन्ट होना चाहिए। अगर ऐसा नहीं होता और टैक्स वसूल नहीं होता तो इसमें जिम्मेदारी ऐसेसी की नहीं बल्कि इनकमटैक्स. डिपार्टमेंट की है। इनकमटैक्स डिपार्टमेंट अगर फौरन ऐसेसमेंट नहीं करता तो उसका अपना कसूर है अगर रुपया वसूल नहीं होता तो उसका कसूर है। अगर लोग बेईमानी करते हैं और कोशिश करते हैं कि वह रुपया न दे तो भी यह इस डिपार्टमेन्ट का कसूर है मैं तो कहूंगा कि यह जो इनकमटैक्स डिपार्टमेन्ट की डिले है यह सबसे ज्यादा जिम्मेदार इस चीज की है जो हमने इस देश में देखा। हमने देखा कि इन्वेस्टिगेशन कमिशन बना। और आपको यह भी मालूम है कि लोगों ने इससे क्या उम्मीदें रखी थीं, और मैं उसको ज्यादा पावर्स दिये जाने के कितने खिलाफ था। हम देख रहे हैं कि जो पावर्स हमने इन्वेस्टिगेशन कमिशन को दीं वह आहिसता आहिस्ता इनकमटैक्स आफिसर के पास जा रही हैं। मुझ को तो यह डर पहले ही था और उसका मैं ने इजहार भी किया था। हमारे जुडिशल सिस्टम को जो पावर्स हैं अगर उनसे ज्यादा हम इन्वेस्टिगेशन कमिशन को देंगे तो हम उनको खराब करेंगे। हम रोजमर्रा देखते हैं कि जो अख्त्यार उनको दिए गये वह तमाम इनकमटैक्स डिपार्टमेंट के पास चले जा रहे हैं। लोग टैक्स देना चाहते हैं लेकिन हर आदमी अपनी सीक्रेट्स रखता है, हर एक आदमी चाहता है कि टैक्स लिया जाय लेकिन उसको तबाह तो न किया जाय। उसकी दौलत का पूरा नकशा लेकर उसकी पोल न खोली जावे जैसा मैंने अर्ज किया है यह अच्छा मेजर है, जब तक हमें टैक्स लेना है यह जरूरी चीज है और हमने इसको जान-बूझकर रक्खा है, लेकिन मैं जानता हूं कि कमिश्नर साहब को जो सैंक्शन्स रखे गये हैं, उनको जो डिस्क्रिशन दिये गये हैं उनको ऐज ए मैटर आफ रुटीन एक्सर्साइज किया जाता है जिसके लिए यह लेजिस्लेचर चाहता है कि जिम्मेदारी से काम किया जाय।

मैं जनाब वाला की तवज्जह एक और उसूल की तरफ दिलाऊंगा। अभी मेरे दोस्त एन० सी० चटर्जी साहब ने फरमाया था कि इन्वेस्टिगेशन कमिशन ने इनकम टैक्स के एडवान्स पेमेन्ट के लिए चार पर सेन्ट इन्टरेस्ट की सिफारिश की थी, लेकिन इस बिल में

[पंडित ठाकुर दास भार्गव]

जो दो पर सेन्ट मिला करता था वह भी खत्म कर दिया गया है। मैंने बिल पर बहस के दौरान में फाइनेन्स मिनिस्टर साहब की खिदमत में अर्ज किया था कि आइन्दा के वास्ते हम जो उसूल अब तक मानते रहे हैं उसको उसी तरह पर बदल दिया जाय जिस तरह यू० के० में टैक्स लिया जाता है। यानी आप जो टैक्स पिछले साल की आमदनी की बेसिस के ऊपर लेते हैं, उसी को बेसिस बनाकर हम आइन्दा साल के लिए टैक्स लेते हैं। हालांकि सेलेरीज के बारे में जो इनकम टैक्स वाजिब है वह साथ साथ काटते हैं। मैं चाहता हूं कि दफा १८ सी को खत्म कर दिया जाये ऐडवान्स पेमेन्ट ही खत्म हो जाये और जो मौजूदा आमदनी है उसके बेसिस पर टैक्स लगाया जाय। ताकि यह सारा का सारा झगड़ा जो चल रहा है वह खत्म हो जाय। यह उसूल का सवाल है। अगर इसको माना जायगा जैसा कि सैलेरी के वास्ते इसको माना गया है तो मैं नहीं समझता क्यों आप इस पर यहां अमल नहीं कर सकते जबकि यूनाइटेड किंगडम में इसी उसूल पर अमल हो रहा है।

जनाब वाला मैं फाइनेन्स मिनिस्टर साहब को उनके नये अमेंडमेंट के लिए जिसका उन्होंने आज हाउस में जिक्र किया है मुबारिकबाद देना चाहता हूं। इसमें कोई शक नहीं कि सुप्रीम कोर्ट ने यह फैसला कर दिया था कि अगर दूसरा हेड इनकम का न हो तो दफा २३ का फायदा नहीं उठाया जा सकता और इसको महसूस करके जो तबदीली की गई है वह निहायत मुनासिब है। किसी मेम्बर ने उसके लिए डिमान्ड नहीं की थी। गवर्नमेंट ने खुद इस तबदीली को किया है। इसके लिये गवर्नमेंट मुबारक बाद की मुस्तहक है।

जहां तक चैरिटीज वगैरह के प्रावीजन्स का ताल्लुक है उनके मुताल्लिक मैं अदब से अर्ज करूंगा कि लोगली तो पाइंट ठीक था क्योंकि पंजाब हाईकोर्ट ने डिसाइड कर दिया है लेकिन देखा यह जाता है कि लोग इस तरह से बहुत बार टैक्स इवेड करते हैं और ठीक तरह से टैक्स नहीं देते हैं इस वजह से सिलेक्ट कमेटी ने इसको कबूल किया और इस चेंज को मुनासिब समझा।

मैं आखिर में हाउस का ज्यादा वक्त न लेकर यह अर्ज करूंगा कि अब वक्त आ गया है कि हमारी गवर्नमेंट यह समझे कि वह पुरानी पुलिस स्टेट नहीं है बल्कि वह अब एक वलफेयर स्टेट है। अब पुलिसवालों और इनकमटैक्स वालों को अपना रवैया तबदील करना चाहिए। एक शख्स जो पुलिस अफसर बनता है उसको यह समझना चाहिए कि वह प्रोटैक्शन करने के लिए जाता है। अभी तक तो लोग पुलिस वालों से डरते हैं और इनकमटैक्स वालों से भी डरते हैं। इनकमटैक्स में जो नये रक्स के आदमी हैं वह अच्छा काम कर रहे हैं और उनमें पहले से करप्शन कम है। यह कहना बिल्कुल ग़लत है कि अब करप्शन बढ़ गया है। जो अब बहुत से जवान आदमी इस डिपार्टमेंट में आते हैं वह अपना काम अच्छी तरह से करना चाहते हैं और वह ठीक तरह से काम करते हैं। मुझे उम्मीद है कि आयन्दा यह करप्शन और भी कम हो जायगा।

श्री भगवत झा (पूर्निया व सन्थाल परगना) : ठीक काम करने तो नहीं दिया जाता।

पंडित ठाकुर दास भार्गव : मेरे दोस्त ने कहा कि ठीक काम करने नहीं दिया जाता। मुझे भी एक केस ऐसा मालूम है जिसमें असिस्टेंट कमिश्नर साहब ने यह ख्वाहिश जाहिर की थी कि उनका मातहत इन्कम टैक्स आफि-

सर उनके लिए अपनी तनख्वाह में से कुछ मिलाकर उनके लिए सस्ती गाय खरीदे। वह इनकमटैक्स आफिसर चूंकि ईमानदार था इसलिए वह ऐसा नहीं कर सका इस लिए उसके अफसर साहब ने खराब सालाना रिमार्क दे दिया। लेकिन यह चीजें तो जब तक ह्यूमैन नेचर है तब तक रहेंगी। हम इन जरा जरा सी शिकायतों को यहां बताकर पूरा इन्साफ नहीं करा सकते लेकिन मैं यह कह सकता हूं कि बाई ऐंड लार्ज इनकमटैक्स डिपार्टमेंट के नौजवान बड़े अफसर काम बहुत अच्छा कर रहे हैं और साथ ही जो अब लिमिट ३६०० से ४२०० कर दी गयी है उससे बहुत फायदा होगा। लेकिन मैं चाहता हूं कि इस कानून को इस तरह से तबदील करें कि लोगों पर नाजायज असेसमेंट न हो और उन पर सख्ती न हो। मैं अदब से पूछना चाहता हूं कि क्या आपका कानून इस बात की भी इजाजत देता है कि जब टैक्स वाजिब नहीं है और पैनल्टी तीन तीन हजार रुपया वसूल कर ली जाय। इससे ज्यादा सख्ती और क्या हो सकती है। अगर आप चाहते हैं कि लोग कोआपरेशन करें और खुशी खुशी टैक्स दें तो उसके लिए आपको उनमें कानफीडेंस पैदा करना होगा और कानफीडेंस तभी पैदा हो सकता है कि जब आप इस घोस्ट असेसमेंट को हटायेंगे और अपीलेट आथारिटी को इंडिपेंडेंट बनायेंगे। तभी लोगों को भरोसा होगा और वह ठीक तरह से टैक्स देंगे। हमको अब असेसीज को यह महसूस कराना होगा कि वह इनकमटैक्स आफिसर को अपना दोस्त और गारजिअन समझें। और यह तभी मुमकिन है जब हम इस कानून को दुरुस्त करें और ऐसी हालत पैदा करें ताकि लोगों को मालूम हो कि हम यहां सिर्फ रुपया बटोरने को ही नहीं हैं बल्कि हम उसको जायज तौर से लेकर उनकी तरक्की व आराम के लिए खर्च करने के वास्ते है।

11 A.M.

Shri V. P. Nayar (Chirayinkil): I find, Sir, that this Bill is again another ruse in which Government are bringing forward legislation on the pretext of making up-to-date modification in existing law, to close loopholes which exist under such law and which judicial constructions of administrative procedure cannot plug. Last time, when the Finance Minister introduced this Bill, he told us that the necessity for a comprehensive measure on this subject has been long felt and that such a comprehensive Bill will be brought before this House in the next session. The "next session" was over and we are fast running to close the session after that also, but we do not find any signs of the Finance Minister bringing forward any comprehensive measure.

Now we know that there was an Income-tax Investigation Commission which sent up a report consisting of over 200 odd pages and 192 recommendations. What have the Government done to implement those recommendations? A more comprehensive Bill was brought, discussed before this House in 1951, but the Finance Minister says that by the lapse of time we could not pass it and for that lapsed Bill, this is the substitute.

The reaction which this Bill has produced in the circles concerned can best be seen from two quotations which I shall read to you. One is from the London *Economist* in which the writer says:

> "Taxation is not, in general, discriminatory and only recently the Finance Minister has removed from his Income-tax (Amendment) Bill those provisions which foreign capital found particularly deterrent; fiscal concessions for new enterprises are considerable.....",

and later on it says:

> "For foreign capital there is in India not only a warm welcome, but even the more important ample opportunities for making a profit."

This is from the London *Economist* of November 29, 1952.

Then there is a very important observation in the *Eastern Economist* of

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June 6, 1952. When it deals with the Income-tax Bill, it says:

> "The really difficult decisions to make were those regarding the penal provisions of the old Bill. Among the clauses which have now been dropped are those defining public companies, in a more stringent manner, a draft which gave rise to considerable criticism from representatives of British business interests; the provision permitting the search of the assessee's premises by Clause I income-tax officers of the Department, the publication of names of defaulting assessees, rewards for informers and forfeiture of *benami* shares, have been withdrawn in the present Bill: so has the clause, which proposed to legislate that the burden of proving any document or statement would rest with the assessee".

This is the reaction which has been produced by this Bill. When Government are aware that their own expert Commission have made recommendations, why is it that Government had not come forward with any proposal to implement any such recommendations? Here the Minister says that we have taken up only the non-controversial measures. I certainly agree. The non-controversial measures are those where there are no controversies. But where in a measure there is some controversy in which the big interests of this country are involved or it is to their detriment, then, of course, the Finance Minister's attitude is different, the Government's attitude is different. They immediately rush to legislation to protect such interests over looking controversial nature. But if, on the other hand, there is a controversy in which the larger masses of the people have to derive any benefit, then there is procrastination, there is delay and every sort of reason is also attributed and controversial aspect invoked. In this case when the Finance Minister introduced the Bill last time, he said that if we were to bring these comprehensive measures, we would have to sit well into August. Then he said that if we were to bring these measures, a combination of budgetary and legislative discussion would be too much for the Members. On one or other such grounds, the Finance Minister said that it is not possible to have comprehensive Bill. Of course he said that in the 'next session', perhaps he would bring the necessary legislation. We have seen now what the meaning of that 'perhaps' was.

Now we know that there is a Taxation Enquiry Committee under Dr. John Mathai. We know that the terms of reference of this Committee are very wide. What will happen to the recommendations of the Income-tax Investigation Commission, I would like to know. If the entire tax structure of the country is to be gone into by this Committee, I feel there is every likelihood of the Income-tax Investigation Commission report being dumped into the mortuary in which hundreds of recommendations have been put to decay by the Government. What are we going to do with this I.T.I. Commission report? What is the purpose of having an expert Commission with such people as Mr. Justice Varadachari and others, and after spending immense labour and money, shelving the recommendations? We want to hear from the Finance Minister, when he will bring a comprehensive measure as suggested in the report of the Income-tax Investigation Commission.

The Finance Minister says that this Bill essentially deals with concessions. He lists three concessions: concessions to insurance companies, concessions to those who construct buildings and concessions to those who bring money from foreign countries into India. I shall deal with these three.

I know that some Indian merchant princes who are abroad desire to come back. But, what is the purpose of their coming back? You find that in other countries, as the Finance Minister himself said, Indians, cannot live and do business with a sense of self-respect and some people are coming, leaving their brethern in the thick of the fight there. They bring their money here and the Finance Minister says that we have to show Tax Concession on this as India needs capital. You may show any concession to such capital which will really be beneficial to the country.

There is also another type of profits which are made in foreign countries. For example, there are some firms in India, having their branches in the USA and U.K. They have a peculiar practice. They consign goods to their branches in America under very low rates, far below the usual rates prevailing in the market. They get money in the foreign countries,

the difference is separately kept in the banks there and they send money according to the original invoice, which is far below the usual rate, back to India. About that, Mr. Devajothi Baraman has specifically mentioned a particular case of one of the biggest concerns in India. Birlas in his Mysteries of Birla House, of sending goods like this. The entire *modus opgrandi* of this has been described. You know that this book is a decumented version of evasion and avoidance of tax. How will you prevent such people whom the Finance Minister favours with concessions, from bringing moneys by surreptitious methods—that is the word which he uses.

There is a chance of such people who have money in foreign banks, who have earned these profits on the blood and toil of the people of India, bringing their money without paying tax under the proposed concession. How will this difficulty be removed?

Then, there is the concession to building construction. I am not against showing concessions to building construction provided that the buildings so constructed on the basis of the concessions will be useful to the people. If you say that you will give concessions to every building constructed in the country, you can rest assured that there will be more palaces and palatial buildings in the country, but the position of the houseless people as regards housing will not be affected. If you say that from tomorrow all money invested on the construction of buildings will not have to pay Income-tax upon it, the result will, be, in and around Delhi, in every place in India, many huge buildings may come up. What will happen to these buildings? Instead of people without houses getting a chance to solve the acute housing problem, you will find that perhaps there will be families of rats, cats, jackals and doves holidaying or even in permanent residence. They will not allow human beings to go and live there. If, on the other hand, Government are prepared to allow the concessions on the construction of buildings which can be used by the larger section of the people, by the industrial workers, by the office peons, by the clerks, then, I am not against this concession. Are Government prepared to give us this guarantee that this concession will be shown only in cases where the buildings constructed, taking advantage of these concessions, will be used solely for the purpose of housing people without houses or those poor people who experience difficulty in finding necessary accommodation.

There is another point; about Insurance companies. The Finance Minister says that the Insurance companies have been consistently representing to him about the necessity of some concessions being given to them. It appears that the Government are raising the bonus reserve of policy holders from 50 to 80 per cent, and the allowance on renewal premium from 12 to 15 per cent. Government also propose to allow these concessions, as I read the Act, with retrospective effect. We have to look at the position of the Insurance companies in India. There are certain things which we cannot ignore. The position of the Indian Insurance companies is very peculiar. It is in combination with big business and banks.

If you go through the Directors' reports of the Insurance companies, you will find that almost every top man in Indian business is also a director of an Insurance company plus a director in some other bank. I can give instances. I do not wish to refer to names. There are certain, names which are not merely names of individuals, but have become names of institutions. I find, for example, the Goenkas are in the Hercules Insurance; Shri Ram is in the Indian Trade and General Insurance; Mr. A. D. Shroff, Tatas and Kasturbhai Lalbai in New India; Birlas, Santalias and Kanorias in the Ruby Insurance; Singhanias in the National Insurance and the National Fire and General Insurance;...

Mr. Deputy-Speaker: What is the object of reading all these? True, rich men are all there.

Shri B. Das (Jajpur-Keonjhar): They are ruling the market and they are there.

Shri V. P. Nayar: Here, in our country the Insurance company is in combination with big business and banks. All that the Finance Minister says is that there has been an increase in managing expenses of the Insurance companies. I would like to know from the Finance Minister what is the specific increase in managing expenses of the Indian Insurance companies, owing to the increase in the pay of the lower paid employees, clerks, stenographers, peons and such other people. I am unable to give you more details because the Indian Insurance Journal, which is the authoritative publication, is so very inadequate in details. It has been said by several journals, like Commerce

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that sufficient information cannot be had about Insurance companies from this book except some statements Why is it so?

The Insurance companies are in a peculiar position, can also be illustrated from another angle. There are about 200 Insurance companies in India: about 20 of them foreign and the rest Indian. These 20 foreign companies together have Indian business worth about 115 to 120 crores. Out of 115 to 120 crores, 80 to 85 crores are the business of four companies. The Sun Life Assurance of Canada, the Prudential, the Norwich Union and the Gresham. That means, out of 20 companies, these four companies—I am just trying to stress the monopoly, which some people have in the insurance field—have 70 to 80 per cent. of the business which is done by all the foreign companies. Look at the Indian companies. About 180 of them have Rs. 677 Crores worth of business. Perhaps, I may be slightly wrong in my figures. It is open to the Finance Minister to correct me. In this Rs. 677 Crores worth of business you find Nine companies—Bharat Insurance, Bombay Mutual, Empire, Industrial & Prudential, Metropolitan, New India, Oriental Government Security, United Indian and Western India—taken together, have a business of Rs. 420 Crores, and it is in such companies that you find the leaders of Indian industry, the biggest capitalists are in the Board of Directors. That is why I said that insurance is not so much done here in this country for the benefit of those...

Shri Altekar: On a point of information, may I know who is the biggest capitalist in Western India?

Shri V. P. Nayar: I have to ignore him and proceed, Sir.

Mr. Deputy-Speaker: The hon. Member may say "I am not giving way."

Shri V. P. Nayar: I was trying to show you how in India insurance business is also a business of the monopolists so that if you give concessions, we want to know how it will benefit the policy-holder, how it is going to benefit the lower paid employees, and how it will benefit, on the other hand, the highly paid employees and Directors and their associates. I would like the Finance Minister to enlighten me on this point also. If, on the one hand, you say that you give concessions, i.e., you voluntarily allow others to escape the law, to evade the law, then there must be a corresponding justification of good to the people.

It is not enough to say that these interests deserve some help, some concession. The necessity for such concession must depend upon the value of the good which will result from this concession to the larger sections of the people. I think that the concessions which are now shown will certainly be taken advantage of by those persons who know how to evade law, how to avoid law, and in some cases, it will be an open invitation for them to take shelter under legal proceedings to evade the law.

For example, take the construction of buildings. What machinery do this Government have to find out whether I spend Rs. 50,000/- or Rs. 75,000/-. It is very easy for the contractor and the building owner to collude and give a false figure. We know what is the efficiency of the Government's machinery. If there has been efficiency, we know how Government look at that also. For example, from my place—the Finance Minister knows it very well—there have been consistent representations from a particular section of his own subordinates, the income-tax clerks and subordinates staff. He knows how well they have been doing their work. There is the record of collections. But on one fine morning what they find is that a clerk who gets Rs. 65/- at Trivandrum is transferred to Madhya Pradesh. Another is sent to Calcutta. This is the way in which the Government look at the subordinates of the Income-tax Department itself. So, if a businessman has to spend, money on buildings, if he actually spends Rs. 1 lakh, he can show it as Rs. 5 lakhs or Rs. 10 lakhs. The Department does not have the confidence of the subordinates also because of the treatment meted out to them. That means ultimately these concessions will be taken advantage of by the richest sections of the people.

I have something more to say on this Bill, but I shall reserve that for the Clause by Clause discussion.

Shri T. S. A. Chettiar (Tiruppur): While watching the proceedings and hearing them, I was reminded of an incident which took place in the Central Legislative Assembly some time back. When the Executive Councillor concerned said that businessmen keep two accounts, Sir Homi Mody.

himself a distinguished businessman, intervened and said: "It is not two accounts, but three. One for the Income-tax Department, another for himself and another to deceive his partners".

I have no hesitation in arming the Department with any measures that are necessary to deal with those people who want to evade the law. In fact, it is their job to find and punish the evaders. If they do not do it efficiently—as some of the big fish do escape now and then—it is something against the common man in this country, for every tax evaded is a loss to the treasury and the common man. And so we will be well advised to arm the Government with any measures that are necessary in tightening the law in the matter of collections.

And now one other matter which has been said by others, *i.e.*, there has been an exorbitant delay in the disposal of certain cases in the Department. I know of a certain case which is more than ten years old which has not yet been decided. This stands not only in the way of collection, but stands in the way of those people conducting business themselves. I should say that there should be a time limit within which these cases should be summarily disposed of. Somehow, these cases must be speeded up.

And now coming to a few Clauses. As far as possible I do not like to repeat the many things that have been said by hon. Members either on this side or that side. I shall confine myself to two Clauses. One is about the Charity Clause. Much has been said that this amendment tries to amend the Act in accordance with the recommendations of the Income-tax Investigation Commission. According to the present amendment, if a Trust is to get the benefit of exemption, it must have the following qualifications:

(1) It must be a trust under Section 16 (1) (c) of the Income-tax Act, *i.e.*, it must be a Trust not revokable within six years or during the lifetime of the settler from which the settler does not get any benefit direct or indirect.

(2) It must be wholly for religious or charitable purposes.

(3) It must relate to anything done within taxable territories.

(4) If the income is derived from a business, it must be applicable wholly for the institution, and must be in the course of carrying out the primary purpose of the institution and carried on by the beneficiaries.

All these clauses must be satisfied if any Trust is to get the benefit of exemption under the Income-tax Act. In this amendment, the new elements that have been brought in are:

(1) Application of Section 16 (1) (c) barring revocable Trusts.

(2) Business profits being made subject to the condition said above.

(3) Applicability within taxable territories.

With regard to the non-applicability of revokable Trusts for the purpose of exemption of income-tax, there is a great deal in what the Investigation Commission has said. Many times these revokable Trusts are being made the means for the man who makes the Trust to get the income in a wrong way. And so, we may accept this recommendation of the Income-Tax Investigation Commission in this matter. But, with regard to business profits—profits from business conducted by charitable and religious institutions—I do not see even from the report of the Income-tax Investigation Commission on a categorical recommendation by the Commission that it should be stopped. The Income-Tax Investigation Commission while they have recommended specifically that this must be brought within 16 (1) (c), have not recommended that these business profits should be taxed. They have suggested to the Government to do it or not. And I would ask the Finance Minister to consider the following points: I would like to know how many charitable institutions will be affected if this clause 6 passed and if this Bill becomes an Act.

[SHRIMATI AMMU SWAMINADHAN *in the Chair*]

I have not got a survey with me as to how many educational or religious institution live by these business profits today. As far as I know, there is one institution in Tiruchirappally, which is a Girls' High School, which is conducting a bus service, which will not come within the qualifications mentioned in this clause, but which

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I believe will suffer. I would like this House to consider whether we should bring an amendment which will affect these institution immediately and put them into difficulties, and if the House thinks that we should have this amendment, whether we should not give a time-lag to these institutions to adjust themselves—at least for the existing institutions which live by these business profits. Otherwise, we will be putting them to trouble and undermining their resources. But as to how many institutions like this exist, it is beyond me to say. I know of only one.

Shri C. D. Deshmukh: Is it for transporting students?

Shri T. S. A. Chettiar: No. Then it would have been covered by this clause, and I would not have raised it. That is number one.

The second point is the applicability within taxable territories. The Bill says:

> "Provided that such income shall be included in the total income—
>
> (a) if it is applied to religious or charitable purposes without the taxable territories, but the Central Board of Revenue may, in the case of a property held under trust or other legal obligation created before the commencement of....."

I would like to know how many cases of trusts which spend money for charities outside the taxable territories exist today for which these exemptions will have to be given. We have been given no indication anywhere in the course of the debate as to the number of trusts that exist and the amount of money that we will lose in revenue by giving this concession. I should think that we should know how much money we will be losing if we give this concession mentioned in this amendment.

Thirdly if we are giving this concession for amounts spent outside the taxable territory, say England or Pakistan, I would like to know whether we have got a reciprocal agreement with those countries whereby trusts in these countries which spend money in this country are given income-tax concessions under a similar provision. As far as I know, we have not been told about it. It may exist or it may not exist. Most probably it does not exist, because if it existed I dare say the Finance Minister would have told us about it. It is for him to give a clarification in the matter.

So the suggestions I would like to make are these: whether a time-lag should not be given for educational institutions which live by business profits which are covered by this amendment, and with regard to exemptions for charities outside, the taxable territory whether we are applying this only to countries which have a reciprocal agreement with us in this matter.

Now I come to another clause—clause 22. Clause 22 seems to me to be very widely worded. I heard with attention what the Finance Minister had to say in his opening speech today as to how they propose to operate this clause. But let me read to you, Sir, the clause itself:

> "...no person who is not domiciled in India, or who, even if domiciled in India at the time of his departure, has, in the opinion of an Income-tax authority, no intention of returning to India, shall leave the territory....."

This will cover almost everybody who pays income-tax and who wants to go to a foreign country. It says: 'has, in the opinion of the Income-tax authority, no intention of returning to India.' That is, unless the income-tax authorities specifically make a declaration, it will be presumed that almost everybody who wants to travel by plane or by ship, who wants to travel outside this country,—if he pays income tax—will come within the mischief of this section, *i.e.* the opinion of the income-tax authorities whether he is a tax-dodger and whether he is leaving with the intention of dodging tax. So the effect will be that it will apply to every income-tax paying individual, and most of the people who go to foreign countries will be income-tax paying individuals. In administration, it will be quite impossible, unless you say that whenever a passport is to be taken, there must also be a condition, that it must be counter-signed by the income-tax authorities that he is not going there to dodge taxes.

So I should think that this is so wide that it will be difficult, almost impossible, of operation. I should

like the Finance Minister to consider whether by a provision in the Bill itself he will not like to narrow it down so that it will not cause unnecessary hardship. The work in the income-tax department will also increase because every declaration means so much work. I believe thousands of people are going out of the country every year and every one of the passports will have to be counter-signed by the income-tax authorities. So I would like them to consider whether it will not be sufficient to say: 'who is not domiciled in India' and omit the rest of the portion, because most of the people who leave this country, who are domiciled in this country, will come back to this country. That is the presumption that you take. But if that is not to be accepted, at least some amendment should be made to narrow this down so that it will be administratively possible.

It is not my purpose to take a long time of the House. Many other points that have been made by other friends are points which I would like to support if I am here during the discussion on the amendments. But these two are, in my opinion, important matters which I hope the Government will take into consideration.

श्री झुनझुनवाला (भागलपुर मध्य): सभानेत्री जी मुझे इस बिल पर कोई नई बात नहीं कहनी है और जब कोई नई बात न कहनी हो और खास कर जब दूसरों ने बहुत सी बातें कह दी हों तो उन पर बोलने की मेरी इच्छा ही नहीं होती । परन्तु हमारे वित्त मंत्री इतने इम्पार्शल हैं कि वह हर एक बात को हर दृष्टि से देखते हैं जिसमें किसी के मन में किसी प्रकार का सन्देह न हो और वह ऐसी बात को लाना चाहते हैं जिससे हर एक आदमी को सन्तोष हो और उनकी इनकम में भी किसी प्रकार की बाधा न हो । परन्तु यहां चार पांच बातें जो बार बार इतने दिन से कही जा रही हैं और आज भी वह सब बातें कही गईं जो भी बातें हमारे वित्त मंत्री ने कहीं उन सब को सुनकर भी मेरे समझ में नहीं आता कि हमारे वित्त मंत्री जी ने सब बातों के ऊपर क्यों ध्यान नहीं दिया । मैं जुडिशल रूलिंग आदि कोट नहीं करना चाहता । इन्वेस्टिगेशन कमिशन ने क्या कहा है वह सब भी मैं नहीं कहना चाहता क्योंकि वह सब बातें काफी कही जा चुकी हैं । परन्तु एक मामूली सड़क पर चलने वाले आदमी को जो बातें मालूम होती हैं और जिससे उसके मन में शक पैदा हो जाता है उन सब बातों पर हमारे वित्त मंत्री जी क्यों ध्यान नहीं देते और क्यों उनको दूर नहीं करते ? इसमें उनको क्या आपत्ति है यह अभी तक मेरी समझ में नहीं आया । हमारे मित्र ठाकुर दास जी ने कहा कि जब सेलेक्ट कमेटी में यह बात आई तो यह कहा गया कि इसमें ऐडमिनिस्ट्रेटिव डिफिकल्टीज़ हैं । हो सकता है कि किसी प्रकार की ऐडमिनिस्ट्रेटिव डिफिकल्टीज़ इन सब बातों में हों परन्तु जब जनता का इसके ऊपर इतना अविश्वासस हो रहा है और लोग समझते हैं कि हमें तंग किया जा रहा है तो वह उन थोड़ी बहुत ऐडमिनिस्ट्रेटिव डिफिकल्टीज़ को क्यों नहीं सहन करते ? उनको कोशिश करनी चाहिए कि जो ऐडमिनिस्ट्रेटिव डिफिकल्टीज़ हैं उनको दूर करें । परन्तु यदि उनको दूर करने में वह असमर्थ भी हों तो भी उन्हें सहन कर उनको जनता की आवाज़ को उन्हे सुनना चाहिए । वह बात यही है कि जिस आफिसर के पास अपील करते हैं वह बोर्ड आफ रेवेन्यू के अन्डर न हो बल्कि ट्राइबुनल के अन्डर होना चाहिए । चटर्जी साहब ने बहुत से दाखिले दिये हैं जजों के चीफ जस्टिस के आदि आदि । उन सब बातों को कहकर मैं समय नहीं लेना चाहता । जैसा मैंने शुरू में कहा मुझे बहुत बोलने की आदत नहीं है और जो बातें कही जा चुकी हैं उनको तो मैं कहना ही नहीं चाहता । लेकिन मेरी समझ में नहीं आता कि क्यों हमारे वित्त मंत्री जी यह कहते हैं कि नहीं यह अपील तो बोर्ड आफ रेवेन्यू के अन्डर ही रहेगा । यह हमारी समझ में ठीक नहीं है । मैं यह बात कहने के लिए खड़ा हुआ हूं कि वह इस पर पुनः

[श्री झुनझुनवाला]

विचार करें और इस चीज़ को दूर करदें ताकि जो असेसी हैं उनके मन में यह संतोष हो जाये कि अब हमारी अपील अच्छी तरह से सुनी जायगी।

दूसरी बात जिसके ऊपर मेरे मित्र ठाकुर दास जी ने भी कहा है वह यह है कि जो ऊपर के इनकमटैक्स इंसपैक्टिंग कमिश्नर हैं वे इनकमटैक्स आफिसर्स को इंस्ट्रक्शन्स दे देते हैं कि तुम यह सब बातें ऐसे ऐसे कर लेना। मैं भी इस बार जब कलकत्ते में था तो कई एक ऐसेसी लोग आये और वह कहने लगे कि इनकम टैक्स आफिसर तो इस बात को इस तरह करना चाहता है परन्तु उसके हाथ में यह चीज़ नहीं है। अगर ऊपर के इंस्ट्रक्शन दूसरी तरह के आ जायेंगे तो उनको बड़ी मुश्किल हो जायगी। मैं आपसे कहता हूं कि यदि वह इंस्ट्रक्शन्स (आदेश) देते हैं तो जैसा कि हमारे मित्र ठाकुर दास जी ने कहा, वह असेसीज़ के पास भी पहुंचने चाहिएं ताकि वह असेसीज़ इस बात को जान लें कि यह इंस्ट्रक्शन्स दिये गये हैं और वह उन सब बातों का जवाब दे सकें। इनकमटैक्स आफिसर की इच्छा है कि यह चीज़ इस तरह से होनी चाहिए किन्तु उसके पास इंस्ट्रक्शन आ जाते हैं फिर वह बेचारा क्या करे। यह बात तो ठीक नहीं मालूम होती कि अगर आप एक अफसर को यह कहते हैं कि तुम असेस करो और उसको स्वतन्त्रता न हो। ऊपर के इंस्ट्रक्शन्स की वजह से वह अपमंजस में पड़ जाता है और वह सोचता है कि अगर मैं अपने मन के मुताबिक करता हूं तो ऊपर वाला अफसर मुझ से नाराज़ हो जायगा और मेरी तरक्की बन्द हो जायेगी आदि आदि। तो जैसा कि मैं ने शुरू में कहा हमारे वित्त मंत्री जी बड़े निष्पक्ष आदमी हैं किन्तु इन बातों को जोकि हमें मोटी मोटी बातें मालूम होती हैं उनको वह क्यों नहीं देख सकते।

तीसरी बात यह है कि जो रुपया आगे से टैक्स के लिए जमा कराया जाता था उस पर दो परसेंट इंटरेस्ट दिया जाता था। किसी ने कहा कि दो परसेंट के बदले चार परसेंट होना चाहिए। ठीक है अगर गवर्नमेंट इसको बन्द कर देना चाहती है तो ऐसा ही करे। मैं इसको भी मंज़ूर करने के लिए तैयार हूं कि आप इंटरेस्ट न दें परन्तु आप इसमें यह ठीक कर दें कि इतने दिन के अन्दर उनका केस तय हो जायगा। अगर उनको इंटरेस्ट न मिले तो उनका केस तो जल्दी हो जाना चाहिए। मान लीजिए मैंने एक लाख रुपया जमा कर दिया। अब मेरा एक लाख रुपया जमा है और इनकम टैक्स आफिसर साहब समझते हैं कि उसके ऊपर इंटरेस्ट तो लगेगा ही नहीं चलो इतना ही फायदा गवर्नमेंट को हो या वह यह सोच सकते हैं कि यह चाहे जितना ही पड़ा रहे कोई हरज नहीं है। टैक्स तो आ ही गया है अब इसका आहिस्ता आहिस्ता फैसलो दें। समझिये चार वर्ष के बाद उस केस का फैसला होता है और यह फैसला होता है कि यह टैक्स गलत है और रुपया रिफंड होना चाहिए। तो अब हमारे वित्त मंत्री जी को यह देखना चाहिए कि वह गैरवाजिब चीज़ तो असेसी लोगों से न लें। मैं जानता हूं कि असेसी लोग कितनी बदमाशियां और बेईमानियां करते हैं। इस का भी मुझे पूरा अनुभव है परन्तु सरकार को तो एक दम से निष्पक्ष होकर के काम करना चाहिए।

एक छोटी सी बात और रह गई है। वह यह कि इनकमटैक्स आफिसर को यह अधिकार है कि वह ऐकाउन्ट बुक्स ज़ब्त कर ले। ठीक है। मैं जानता हूं कभी कभी एकाउन्ट बुक्स को ज़ब्त करना ज़रूरी हो जाता है ताकि ऐसेसी उनमें गोलमाल न कर सकें। मैं उसके विरुद्ध नहीं हूं। परन्तु जो चालू ऐकाउन्ट बुक है उसको ज़ब्त करना

ठीक नहीं। अगर उसमें उनको सन्देह हो तो उनको यह करना चाहिए कि उनको जब्त न करें पर उनमें दस्तखत कर दें ताकि उसमें कोई गोलमाल न किया जा सके।

बस मुझे यही तीन चार बातें कहनी थीं और इन्ही पर जोर देना चाहता हूं। हमको तो यह बहुत ही मोटी बातें लगती हैं। मगर हमारे वित्त मंत्री जी क्यों नहीं इनको देखते यह मेरी समझ में नहीं आता।

Shri Raghavachari (Penukonda): I wish to make observations on only two or three points and I do not wish to elaborate on them; particularly so, when my hon. friend, Mr. Damodara Menon, has appended a Minute of dissent wherein he confined himself to two or three points on which, on behalf of our party, I wish to submit what we feel.

First, as regards the delays that have been commented upon in this House in respect of the department's disposal of these claims. It is an admitted fact that there has been some delay. But, I am glad, that possibly this recognition made the Finance Minister indicate that he would like his subordinates to spare more time to give their attention to the administrative work. And, I hope, with that convenience of the extra time that is now afforded, this delay would be reduced considerably and it would take away this charge.

Then, a small point, before I come to the other two, Madam. The small point is about the interest that should be allowable or not allowable on the advance payments of taxes made. I should feel that it would be only fair to any Government that when it enacts that advance payment of income-tax must be deposited with them which, in all, comes to a few crores of rupees, and no interest is either given or allowed and, more so, after the system of granting such interest was in vogue till now, it is very essential that interest should be permitted to be granted on the advance payments made.

Then, one of the two other points that I wish to state is about the Tribunal. There are two stages of this Tribunal. The first is the Appellate Assistant Income-tax Commissioners. So far as that position is concerned, my hon. friend, Mr. Chatterjee has advanced very elaborate arguments and convincing proof also. But, to my mind, he omitted one or two facts to be stated and I only wish to stress them. One of them is that the recommendations of the Committee headed by Justice Varadachari are rejected on the ground that they did not command the same kind of experience in income-tax administration. To my mind, it is not so much the experience of the income-tax administration that is necessary to support the argument in favour of the need for an independent Tribunal. What is required is experience or knowledge of human nature and how the world goes on. And, it does not require any judicial experience to say that a person who has been under the control and directions of superior officer cannot certainly be expected to carry out or function impartially. I am not saying that it is absolutely impossible that he should function efficiently and impartially. But, what is more than the possibility of such a thing being done,—is it probable? In our experience, do we find that such people under the control of others do function or discharge their duties perfectly independently. No. It is our human experience. They have, in addition, the experience as the highest officers of the judiciary. Therefore, it looks to me along with the many arguments put forward by my hon. friend that there is absolutely no reason why this recommendation should not have been accepted. There is also another reason why this recommendation should have been accepted. We are out to catch more tax-evaders and bring in more tax for the State. That is a matter on which there can be no difference of opinion. In fact, a commission has been constituted and crores of rupees have been earned for the State from the tax-evaders. Our income-tax officers have now found more time to give to the rich assessees, as the Finance Minister said in his Budget speech. Now, with greater time at their disposal and with a drive for more income, it is only natural to expect that they should be very strict in cases where it is suspected that there has been an attempt at evasion. When that is the atmosphere in which the Department is likely to work, is it not essential to provide for a safeguard, namely, that the Appellate Tribunals will be independent bodies free from control. In this new set up of administration, there are bound to be some mistakes and injustices, and they must necessarily be scrutinised by the Appellate Tribunal. That Tribunal must be one in which the assessees and the public at large should

[Shri Raghavachari]

have full confidence. Confidence can come only if the tribunals are independent and can be expected to administer justice impartially. Therefore, it looks to me that this case for freedom of control over the Tribunal, requires no more elaborate arguments.

Another point about the Appellate Tribunal relates to the Chairman or President. There has been some controversy with respect to this. I myself having had some experience of courts would prefer a person who is experienced in the administration of justice; always he commands greater confidence The equipment of persons who have served in other agencies may not be satisfactorily sufficient to bring about this confidence. It is possible that their selection as Chairman may inspire confidence, but a mere possibility is not enough. As they say, justice must not only be done, but it should appear that justice is being done. Similarly, our machinery must not only be independent but it should appear to be inpendent. Hence, the Chairman of the Tribunal must be a man of judicial experience.

There has been an exemption provided for gratuity income-pension income etc. But it is confined to Central and State Government servants. The point is that all employees, irrespective of who employs them, and contributes something for a rainy day when they go out of employment. Should have this exemption: Therefore, this exemption should apply to all, and not merely to Central and State Government servants.

A word about the clearance certificate. The Finance Minister has stated that he intends issuing instructions for free issue of these certificates, but the point is not about its being issued freely. The inconvenience that is caused by making this certificate a condition precedent, and even the labour and the time involved in getting this certificate, are oftentimes too troublesome.

Another point that struck me was that the Air companies were made criminally liable previously, but under the new Air corporation Act the position is different. Of course, the Finance Minister said that if the companies do not pay, Government can now recover a whole or part of it. Whether a company is bound to pay or you are entitled to recover it in whole or in part, there is not much difference to my mind. Therefore, while welcoming the measure, I would stress the need for providing safeguards in respect of the two matters that I have mentioned regarding the Tribunals.

Shri Basappa (Tumkur): I welcome this measure that is, Income-tax Amendment Bill. It includes several beneficial provisions. It helps profits earned by Indians in foreign countries to be brought to India in a large measure. It contains other beneficial provisions which will contribute to the development of our industries. There are others on the administrative side which will enable this Act to be worked out successfully and which will also prevent large-scale evasion of income-tax.

Regarding the scope of the Bill, a point has been raised that most of the recommendations of the Income-Tax Investigation Commission have not been included. It is true that that Commission recommended very many things, and it has not been possible to include all of them. The Finance Minister explained on the last occasion that some of the points were controversial, and as the time at the disposal of Government was short when this amendment was being prepared, they could not be incorporated in this Bill. Since many people have spoken about the comprehensive nature of the Bill that has to be brought, I hope the hon. the Finance Minister will very shortly bring forward such a Bill for the satisfaction of the House.

In this connection I may be permitted to thank the Finance Minister for the recent announcement he has made regarding the raising of the exemption limit in the case of Income-tax which will contribute to the benefit of the middle classes and the development of small industries.

The announcement of the Taxation Enquiry Committee is also very welcome because they will go into the question of the incidence of taxation in several parts of India among several sections of the people levied by the Central Government and by the State Governments. In this way the main provisions of our Constitution, namely that the wealth of this country should be distributed more equitably, will be very much cared for by this Committee and the report they submit will go a long way in seeing that these provisions are adhered to.

With these few general observations I must say that our aim must be to see that the honest assessee of Income-tax is properly cared for and the tax dodger is severely dealt with, because we see that a number of honest assessees are feeling that they are not properly dealt with. There is a lot of harassment. It would be just like killing the goose that lays the golden eggs. I know that a number of merchants in my constituency want to leave off their business because they see that a certain kind of harassment is going on. The main purpose of our Income-tax law should be to see that this kind of harassment of the honest assessee is prevented and the tax dodger is severely dealt with.

In this connection I might say one or two things about the controversial provisions of the Bill that has been brought before us. The first point that has been raised is as to who should be the President of the Income-tax Tribunal. This has been a highly controversial point here and elsewhere—whether the accountant member can also be the President of the Income-tax Tribunal. In this connection we must say that the accountant members are equally competent to discharge the duties of the Income-tax Tribunal. At the same time we must see that the public expects a certain amount of confidence from this Income-tax Tribunal. Therefore the previous legislation was to the effect that the Income-tax Tribunal should be presided over by a judicial officer who gives a certain amount of confidence to the public. I am not saying that the accountant member is not able to give that confidence. But still, the judicial frame of mind on the part of the judicial member will go a long way in giving that confidence. These are two extreme views, of course. Therefore I have no objection for a *via media* being followed, namely, that ordinarily a judicial member may preside over the Income-tax Tribunal and in some extraordinary cases, where the seniority of the accountant member and other qualifications have to be taken into consideration, we may appoint in some special cases the accountant member as the President of the Tribunal

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Another point to which I wish to make reference is about the Appellate Assistant Commissioners, to which much reference has been made in this House. Whether they should be subordinate to the Central Board of Revenue or whether they should be subordinate to the Income-tax Tribunal is a very controversial point, and a large number of Members of the House seem to feel that they should not be subordinate to the Central Board of Revenue because it would amount to the very party to proceedings acting as a judge also. In order to prevent this they suggest that there should be an independent Appellate Assistant Commissioner's post as that would help a great deal in giving confidence to the public. Of course the Department put forward certain things before us which we have to take note of. From the practical point of view they say that the number of cases that have been decided so far will go to show that the independence of the Appellate Assistant Commission is not at all jeopardised; on the other hand they seem to give us the impression that in nearly 87½ per cent. of the cases the judgments given by the Assistant Commissioners have not been reversed or have been upheld by the Income-tax Tribunal. Thereby they want to say that they have been very impartial in their judgment. But that is not the way to look at things. I believe the larger consensus of opinion is that there should be a separation of Income-tax judiciary from Income-tax executive. This will certainly help the assessees. But probably they feel that as we have got a separate independent Tribunal in the second stage it would work well in the first stage and would help the assessee as well as the Department. They say there are certain administrative difficulties and the staff at their disposal is not sufficient to cope with the work on the basis of separate judiciary and executive. They put forward these difficulties. Anyhow, since exemptions have been given in a number of cases and some of them are relieved of the work to that extent, they can now see that some people are reserved for doing this work. I feel that there is a keen necessity for separating judiciary from the executive. But whether in this particular Bill we can go into this question very deeply is a point on which I have got a different opinion altogether. But that question of course is a very important one. It can however be taken up when a comprehensive Bill is brought before us.

Shri B. S. Murthy (Eluru): Why not now?

Shri Basappa: Because the relevant section of the Act is not going to be amended by this Bill. It is a larger issue and can be easily taken up when a comprehensive Bill is brought before us.

[Shri Basappa]

The next point I would touch is about section 34 of the Income-tax Act and clause 31 of the present Bill. It refers to retrospective effect being given to section 34. This provision seeks to give a retrospective effect, that is to say, the time-limit within which the account can be reopened is fixed in this clause which says that so far as tax evasions are concerned the Income-tax authorities can go as far back as eight years, and so far as under-assessments are concerned they can go as far back as four years and see that the accounts are assessed properly. Of course this is a healthy sign because we know from experience that between the years 1942 and 1948 many people made very easy money and that money has escaped from Income-tax. And it is but right that the State should get the tax in respect of that portion. Hence the section is sought to be amended to make explicit the retrospective nature of the operation of the section. Of course the Finance Minister has said today that the Division Bench of the Calcutta High Court has set aside the previous order of the single Judge and has come to the conclusion that it has retrospective effect: so much so, that although there is no necessity for a clause like this, in order to make explicit the situation they have brought in this clause. And therefore I welcome this also and when I am speaking on section 34, I must make a reference to the State from which I come and say that while applying this section 34 to a B State like Mysore which recently integrated, great consideration should be given because the Indian States Finances Enquiry Committee said that so far as these assessments are concerned, there should be some finality to them. The terms of the financial integration say that when income-tax has been taken over by the Centre, assurances have been given that what has been decided prior to integration will not be reopened again. Of course, the Mysore Government had a different system of income-tax and according to that system they have collected taxes. I am not speaking of the great evasions of income-tax. Even now they can be dealt with but in a large number of cases with middle class assessments, if accounts are going to be reopened. It would harass a large number of people in Mysore and therefore I suggest that in the case of these B States from whom the income-tax is taken over by the Centre, we should go a little slow. In the matter of under-assessments which have been completed, if there are large scale evasions, you can by all means see that they are properly dealt with. But in a large number of cases there should be a finality as suggested by the Indian States Finances Enquiry Committee and also according to the terms of the Financial Integration Agreement.

Another point which I want to raise with reference to Mysore is the steep rise in the level of income-tax. In the case of A States, even to come up to this income-tax level you have taken a very long time but now after integration you want to see that the income-tax level in the States also come up to that level. It is very good to have uniformity in the rate of income-tax but you have given certain assurances also that there would be no steep rise in the income-tax level and that it would be gradual. So I naturally want that a little more time should be given before it could be brought into level with the other States. Otherwise the economy of that State will be hampered. If you bring in this level all of a sudden, a vast number of merchants will be upset. I therefore suggest that these things should be taken note of by our Finance Minister and proper effect should be given to them. With these few words, I conclude.

Dr. Krishnaswami (Kancheepuram): The Indian Income-tax (Amendment) Bill which has emerged from the Select Committee has emerged with relatively few scars. Many of the far-reaching changes which we envisaged have not found a place in it partly because the Finance Minister has a feeling that those changes will have to be included in a more comprehensive measure. The Taxation Enquiry Committee which has been constituted recently would probably go into all these questions and we might then have a comprehensive Income-tax (Amendment) Act. But taking the present Income-tax (Amendment) Bill as it has emerged from the Select Committee, I should like to enter a caveat against some of the provisions that are contained in this Bill on grounds of principle and sound practice.

Incidentally a matter was referred to in the course of his speech by my hon. friend Pandit Thakurdas Bhargava who pointed out that it was unjust that money which had been retained by government over which it had no title should be kept for an indefinite period. The Income-tax Investigation Commission which went

into this matter recommended that a higher rate of interest should be charged on the money which was locked up by the Government in its treasury presumably on the ground that income-tax officers would then have an incentive to return the money as quickly as possible to those who were entitled to receive it. But, according to the present Bill, one finds that not only the .2 per cent. payable which is already very low has been abolished, but there is also the possibility that this money may be locked up for an indefinite period. This is hardly fair to the taxpayer. Having made this observation, I should like to point out that there are very many important features of this Bill which have to be taken into account. There is, for instance, the observation made by Mr. Basu in his dissenting minute that so far as the present system of Income-tax Appellate Commissioners is concerned, the time has arrived when the Income-tax Appellate Commissioners should be free from subservience to the Central Board of Revenue. The Central Board of Revenue is after all an executive branch of the Government responsible for collecting taxes and it would be unjust if the same authority is both the executive and the judiciary rolled into one. Pandit Thakurdas Bhargava seems to have hit the nail on the head when he observed "The Investigation Commission had recommended that the Appellate Assistant Commissioner should not be subordinate to the Central Board of Revenue so far as the promotions, transfers etc. are concerned. I also submitted many a time in the House that this reform was an overdue."

"I also submitted many a time in the House that this reform was an overdue one and should be implemented as soon as possible. It was expected that the Government will give effect to the recommendation as it was calculated to inspire confidence in the general public and in the words of the Commission, not only calculated to do justice but to make it appear that justice was done. This point was raised by several Members of the Select Committee but unfortunately, this matter could not be gone into as the particular section of the Income-tax Act in which direct control by the Central Board of Revenue was specifically mentioned was not sought to be amended." I wish this had been amended and I wish we have an amendment for more reasons than one. Today, we are having tax legislation which is of a retrospective character and particularly when it is of a retrospective character, it is more than necessary that we should have a separation of the judiciary from the executive branch.

Let me now examine some of the detailed provisions of this Bill. There is, for instance, clause 22 to which my hon. friend, Mr. T. S. A. Chettiar made perfunctory reference and which I wish he had analysed at considerable length. I should like to examine that clause at some length because this clause is likely to raise many doubts. Before the Bill was actually submitted to the Select Committee, many hon. Members suggested that this was a drastic clause and we hoped that the Select Committee would go into this matter at considerable length. Certain difficulties arise when we consider this section. What are the restrictions on a person, who is not domiciled, on his leaving the country and returning? If there are no restrictions, at what stage does his intention to return operate? One does not know which authority is responsible for finding out whether he is going to return or not. The section as it reads is rather vague on this point. It is said that the income-tax authority should be satisfied that the individual is going to return to this country. But surely, according to the section, the income-tax authority is not the competent authority for either giving a clearance certificate or an exemption certificate. The income-tax authority undoubtedly knows the dues that an individual has to pay to the State but how is it to know whether a particular individual is going to return or not? Moreover when we examine this clause, we find that here also, the same vice that taints most taxation legislations taints this particular clause also. Here is a particular clause in which not merely is the individual who leaves the country responsible for accrued liability but for all liability that may possibly accrue in the future. Let me read that particular part of the clause rather carefully.

The clause reads as follows:

"(1) Subject to such exceptions as may be made by the Central Government, no person who is not domiciled in India, or who, even if domiciled in India at the time of his departure, has, in the opinion of an Income-tax authority, no intention of returning to India, shall leave the territory of India by land, sea or air unless he first obtains from such authority as may be appointed by

[Dr. Krishnaswami]

> the Central Government in this behalf.....a certificate stating that he has no liabilities under this Act, the Excess Profits Tax Act, 1940 (XV of 1940), or the Business Profits Tax Act, 1947 (XXI of 1947) or that satisfactory arrangements have been made for the payment of all or any of such taxes which are or may become payable by that person:"

I take objection to the words 'may become payable'. I can understand an individual being liable for those liabilities which he has already incurred. How on earth is it possible to support a clause in which you are fettering the right of the individual? You are suggesting that he should also contract to make himself liable for some obligation which may materialise later on.

Furthermore, there is another aspect of the matter which has to be gone into by the Finance department of the Government of India. It is true that this clause makes reference to liabilities; but what about liabilities which are under dispute? How are they going to be settled? How is a clearance certificate to be given in this instance? How is an exemption certification to be given? Suppose, for instance, the Income-tax authorities decide against an individual. What is the provision for an appeal against the decision? How are all these matters to be gone into? I think that the whole matter has to be gone into afresh and that we ought to have the whole clause redrafted, because without re-drafting this clause, we would really not be in a position to understand what exactly is the intention behind this clause. If the intention of the clause is that an individual should get a certificate that the Income-tax authority is satisfied that he will return, the whole clause could have been worded in a slightly different manner. I suggest that the Finance Minister may with profit perhaps adopt the particular version which I recommend to his notice:

> "The authority competent to issue passports shall issue the passport only after satisfying itself that the person seeking a passport has obtained either a certificate from the Income-tax authority that he intends to return or a certificate from the competent authority that he has no liabilities or that arrangements have been made."

This particular version, in my judgement gives the opportunity to the Government to safeguard its interests and at the same time, the liberty of the subject is also safeguarded. As it is, this clause is worded so loosely that it may be used as an engine of oppression against people who wish to go out of the country, and may be utilised for the purpose of delaying people from going abroad.

Then, there is clause 31 (old clause 34). The Finance Minister while speaking on this clause, pointed out that a Division Bench of the Calcutta High Court had ruled that the clause was retrospective in nature and that the present amendment was superfluous. The main criticism that is advanced against this clause is that it is retrospective in character. I wish it had been possible to have omitted clause 34 or at any rate amended it as it was in 1939. I know that it is not right to have retrospective legislation, particularly in matters pertaining to taxation. But, of late, recent developments have shown that retrospective legislation is popular even in the sphere of taxation. In the United Kingdom, the problem of tax avoidance is a major problem which has had to be met by legislative enactment. There, as it has been pointed out, while originally it was considered to be good business and sound morality on the part of the tax-payer to avoid payment of tax according to law, today, it is not considered to be good and therefore there have been very many restrictions on the manner in which individuals can avoid taxation. Section 28 of the 1951 Act of the United Kingdom points out that so far as an individual is concerned, a Commissioner of Income-tax has power to disallow any transaction effected before or after for the purpose of avoidance or reduction of liability to profits tax. I agree that this example has been followed by many States. Here clause 31 (old clause 34), if one examines it carefully, one finds that it is not merely tax avoidance that is sought to be penalised, but other matters are also sought to be penalised. Clause 31 is an omnibus clause which could bring under its purview practically all types of transactions. Any type of transaction can be opened. Besides. What is the meaning of opening up a transaction which is four years old? What for instance, is the meaning of introducing this taxation measure which enables the tax gatherers to collect a tax retrospectively for the past four years? In certain cases, an individual would not have been to blame at all for not having paid the tax. It reminds me of Morton's fork

in the times of Henry VIII, which was utilised as an instrument of torture. I venture to suggest that in this particular clause 31, there are so many provisions which could be utilised as an instrument of torture by Income-tax officers. I do think that if we are going to open up transactions for a period of eight or four years, not only will it be possible to ruin individuals; you can also utilise it as a powerful weapon for harming those of your political opponents, against whom you may be inclined to take action. I do think that this particular aspect has to be gone into very carefully. Because, if it is a case of your being in a position to levy taxes retrospectively and that too for a period of 8 years or even 4 years, you are in a position to ruin business enterprises, you are in a position to ruin an individual professionally. After all Income-tax assessment has the same priority as land revenue assessment and all that the individual can do, once he is assessed, is to pay first and then appeal. By the time he has paid, he would hardly be in a position to appeal to the various bodies. I have known several cases where individuals have been ruined, because having paid for 2 or 3 years, quite a lot, they are not in a position to conduct their cases before the appellate authorities. This particular provision can be used as an engine of oppression. I would like either the clause to be dropped altogether or to be modified so as to bring within its ambit only those who are tax avoiders, and that too for a period of 2 or 3 years. Unless this reform is effected, I think we would be taking a very dangerous step, and giving the Income-tax authorities power to ruin many sections of our community.

There is one provision to which some hon. Members have taken exception. That provision relates to the concessions that have been granted to the Insurance companies. I venture to hold the view that so far as concessions have been given to the Insurance companies, they are concessions which have been dictated in the proper spirit. My only grievance against the hon. Finance Minister is that the concessions do not go far enough. Whereas in the case of other countries like the United Kingdom and others, we give 100 per cent. concession, here we give only 80 per cent. So far as the Insurance companies are concerned, they are the media and the receptacles through which public saving takes place on a large scale. Anything which is done to promote the saving habit would be most welcome.

Pandit K. C. Sharma (Meerut Distt.—South): I have gone through the provisions of this Amending Bill and I find that most of the provisions are helpful and would be beneficial to the administration of the Income-tax Act. I entirely agree with the preceding speakers that the office of the Assistant Appellate Commissioner should not be subordinate to the Board of Revenue and it should be subordinate to the Tribunal. I have no fear that because of that subordination any injustice is done, or the Board of Revenue wants that injustice should be done, or injustice has been done. My only plea is that as Mr. Chatterjee said it is not only sufficient that justice should be done, but it is necessary that it must seem to be done. In the long course of our experience, judiciary as such has come to command the confidence and belief of the people in its fairness and capacity to dispense justice. Therefore, it is all the more necessary that now this office should be under the Tribunal, and not under the Board of Revenue. It is not very good to say that because the Board of Revenue regulates the transfer, promotion and all these things with regard to the office of the Assistant Commissioner, he is liable to be influenced by the consideration of getting more taxes rather than doing justice to the assessees. This, I think, is going too far, and there are not sufficient grounds to think like that. But in order to get justice appear to be done, this office should be under the Tribunal, and not under the Board of Revenue.

There should have been a provision giving authority to the income-tax officers to enter the premises in search of accounts books. I made this point when the Bill was being sent to the Select Committee and I find that that provision has not been inserted. It is necessary in the same sense as to find stolen property. Suppose a man commits theft. He conceals the property somewhere. Now, the Police is authorised to go and search the place and take hold of the property. In the same way, if a tax-evader conceals his books, has double accounting system or does any such thing, the authorities should be empowered under the law to go to the place, enter the house, get hold of the books and get the offence investigated. It is necessary. It is no use say-

[Pandit K. C. Sharma]

man." Nobody is a gentleman who commits an offence and evasion of taxation is no less an offence than a theft. Because, what does the thief do? He takes away the money he has not earned. What does the tax-evader do? He takes away the money he is not entitled to have. Therefore, if for getting the stolen property there is power in the hands of the Police to enter the premises and to search out and get hold of the property, it is equally necessary that the Income-tax authorities should have the power to enter the premises, get hold of the books and do the needful.

The second thing I find missing is the power to prosecute people if they make false statements or produce forged documents. I have before me the report on the Working of the Income-tax Investigation Commission, and the observations begin:

> "The Commission found itself pitted against some of the acutest brains in the country, both lay and legal. In almost every case assessees were represented by Advocates, Solicitors and/or Accountants and in some of the keenly contested cases with large stakes, prominent Counsel including retired Judges of the High Court, appeared and led evidence and advanced arguments."

That is their legal right, and nobody can grudge them that right. They can be represented by lawyers. But the tendency to take delight, or to take it as a matter of right, to evade taxation is to be deprecated. It is one thing that a man has committed theft, and it is another thing that he defends it. It is his right to defend himself, but to have a sense of approbation with regard to the theft is a bad thing, because it contravenes the responsibility of a citizen under the Constitution to be true to the structure of the State. This is not a State running under an absolute power in which the President can order a set of people to pay every single pie that they have in their possession, or that money should be procured somehow. It is a State which is run under the rule of law. Therefore, tax-evasion results in creating conditions in which the efficient working of the Government machinery becomes difficult. This is no less serious a position than the position of increase of crime in society.

[MR. DEPUTY-SPEAKER *in the Chair*]

Then the report states that there is the case of a high class jeweller in Bombay—the name is not given—who has made lot of profits and has so manipulated the business that the volume of the business or the name of the purchaser is not given. Then there is again the case of a firm of commission agents and cloth merchants who made huge amounts without disclosing the amount of business, and without disclosing the money that passed on. There is quite a big number of cases given here. I will read only the concluding paragraph. It says:

> "In one particular case, the Commission had to regret the protection given to tax dodgers by reason of the secrecy enjoyed by the secrecy provisions of the law in view of the utter recklessness with which the assessees had behaved in creating false evidence with the co-operation of some bank employees."

So, my respectful submission is that false statements or production of forged documents is as heinous a crime if it is produced or if the statement is made before the income-tax authorities, as it is if the false statement is made or false documents produced before a Court of Law, because if one is harmful to the law and order and peaceful establishment of society, the other is equally harmful since it stands in the way of establishing that law and order because of lack of funds to provide the necessary wherewithal. Therefore, my submission is that in the law there should be a provision that those who make false statements and those who produce false documents should be punished in the same way as they are punished when they commit the same offence before a Court of Law.

In this connection, I should also submit that this secrecy provision should have been long ago done away with, and it does not serve any useful purpose. The names of the tax-dodgers should be published. There should be no secrecy about it.

Another provision that I would like to be included in it is this. As this report shows, there have been quite a lot of ingenuity about keeping double accounts with a view to evasion of taxation. In this way ordinary Income-tax officers find themselves sometimes, rather often, incompetent to find out the true facts,

because the training of the man is ordinarily with regard to doing an honest job. If all the intellectual subtlety is used in manipulating accounts, the poor Income-tax Officer finds it difficult to find out the facts. Therefore, it should be permissible that in such cases the books may be scrutinised with the help of the third party, i.e. the expert. When they engage very big lawyers and accountants who manipulate the accounts, the department should be authorised to take the help of people who would be competent to read between the lines and find out the facts.

Another point that I may make reference to is that of getting information. It is very difficult to get information about tax-dodgers. Therefore, in cases where a clue is given, the person who gives the clue should be rewarded. That way the country may benefit by way of more tax-collection.

Having said that, I come to Clause 22. One of the previous speakers said it would be very difficult for people going abroad to satisfy the income-tax officers that they will return back. The law as it is proposed to be says:—"has, in the opinion of the income-tax authorities no intention of returning to India". That is, ordinarily it would be presumed that a man domiciled in India after going abroad will return home. But there might be circumstances, there might be evidence in the hands of the income-tax authorities which indicate that the man does not intend to return back. In that case alone, the provision of the section would be applicable. Ordinarily it is the presumption that the gentleman who is residing in India, domiciled in India, would be returning back. It would be only exceptional cases on the basis of certain evidence in the hands of the income-tax authorities that the income-tax authorities will come to the opinion that the man is not intending to return back. Therefore, the difficulties envisaged have no foundation at all. There need not be any worry over that. It is so simple a thing.

Another point was made by my friend, Mr. Avinasilingam. Clause 31 deals with 8 years accumulation of income-tax—it is true. But if you cannot ignore the 'blackening' of the social structure that has been brought about by inflation, by doing so many mischievous things through easy money and if you want to stabilise the society and the economic structure of the country, it is inevitable that all the ill-gotten gains of the wartime must be brought within this and the money realised. Once you ignore these serious offences and crimes, then there would be no end to people doing mischief, repeating it again and again, getting easy money and creating all the disturbance in the economic life of the country. This is necessary and we should not grudge it. On the other hand, we should give the authorities enough powers to see that the thing is done speedily and efficiently. With these words, I resume my seat.

Shri Raghuramaiah (Tenali): Much eloquence has been poured on the question whether the Appellate Assistant Commissioner should be subordinate to the Appellate Tribunal or to the Central Board of Revenue as at present. Stated as an abstract proposition no one will dispute the desirability of a judicial authority being independent of the executive. But the proposition cannot be applied to every case without taking into account the nature of the case. The question is: is there any provision for an independent judicial authority under the Income Tax Act or not? If there is, then should at every stage of the proceedings under the Act there be a judicial authority independent of the executive? Well if we proceed on the assumption that at every stage there must be such a judicial authority then I do not know how the I.T.O. himself can function. The I.T.O. is an executive officer, he is the collecting authority. If we go on the principle that at every stage there must be a judicial authority, then you must entrust even the collection of income-tax to a judicial officer. But then the judicial officer will become an executive officer! That is why, I would respectfully submit, the Act has made a very healthy difference. A certain stage has been fixed where the judicial machinery will step in as a corrective to the administrative vagary. In the first place, you have got the I.T.O. Then there is the provision for appeal to the Appellate Assistant Commissioner, that is the first appeal stage, that is meant to be an administrative corrective and any person not satisfied with that has got the further right of appeal, both on facts and on law to the Appellate Tribunal which is wholly a judicial authority independent of any administrative control. It may be asked, what is the harm in having even at the stage of the Assistant Appellate Commissioner a completely judicial authority? Now you have got the healthy provision in, I think. Section 32 of the Income-tax Act

[Shri Raghuramaiah]

which gives power to the Commissioner of Income-tax to interfere even *suo moto* in matters decided by the Appellate Assistant Commissioner. If you make the Assistant Commissioner stage also a wholly judicial stage, the benefit we get from the provisions of Section 32 would be gone, and there would be, just like in any other civil or criminal matter a series of judicial pronouncements without any opportunity to the administration to correct its wrong dicisions.

I understand from the statistics available that for the years 1949, 1950, 1951 and 1952, 90 per cent. of the cases decided by the Appellate Assistant Commissioners have been upheld by the Appellate Tribunal. There is, therefore, not even a case that the Appellate Assistant Commissioners have gone astray or that justice has suffered at their hands. As I said at the very outset, this is not a case where there is absolutely no judicial machinery. Any person, who is not satisfied with the decision of the I.T.O., can go to the Appellate Assistant Commissioner, and the department itself, through the Commissioner, if it is dissatisfied with the decision taken by the Appellate Assistant Commissioner can alter it. If at that stage an assessee feels that injustice has been done, there is a completely judicial authority—the Appellate Tribunal—which has got jurisdiction not only on questions of law but also on questions of fact, available to him. And on top of it, he has got the High Court which has got jurisdiction in matters of law and also, I believe, in a few cases in mixed questions of fact and law.

It is no use to be theoretical. We must also see what the actual practice is in other countries. My information is that in no other country they have a judicial authority at the first appellate stage. This is not a mere civil or criminal matter. We are dealing with income-tax, one of the pivotal points on which the administration of this country rests. We cannot leave it to a judicial authority at every stage. If we go by that principle, then *pari passu* even at the earliest stage of the I.T.O. you must leave it to a judicial authority which, I submit with all respect, would be simply preposterous.

I would come, Sir, to the next point and that relates to the Tax Clearance certificate. I am one of these who naturally agree that the income-tax should not be made an unbearable burden on people leaving this country. We must, of course, give them every facility and should not make it an unbearable strain. There is grave danger in leaving it entirely to the discretion of the income-tax authorities to say in what particular case a man has the intention of returning and in what particular case he has no such intention. That would be leaving it entirely to the vagaries of the officers. Perhaps some corrective can be made to that in the rules that we are contemplating under the relevant section. Yes I have got the section; you need not laugh; you can laugh after the section is read. The particular clause is sub-clause (4) of clause 22. It says:

> "The Central Government may make rules for regulating any matter necessary for, or incidental to, the purpose of carrying out the provisions of this section."

A heavy responsibility rests on the Government to ensure that all avoidable inconvenience is avoided. After all, it is a matter of daily occurrence; so many lakhs of people leave this country and lakhs of people come here. The clause, as we have got it, would make it appear as if in every case a man must get an exemption certificate before he leaves the country. I do not know whether this is the intention. But that is what clause 22 would make it appear, because it says:

> ".....no person who is not domiciled in India, or who, even if domiciled in India at the time of his departure, has, in the opinion of an Income-tax authority, no intention of returning to India, shall leave the territory of India by land, Sea or air unless he first obtains from such authority as may be appointed by the Central Government in this behalf.....a certificate stating that he has no liabilities under this Act,....."

> "Provided that if the competent authority is satisfied that such person intends to return to India, he may issue an exemption certificate either in respect of a single journey or in respect of all journeys to be undertaken by that person....."

Well, a person who wants to leave this country—assuming that he is an income-tax assessee—will not know

whether the department actually thinks he is going to return or not. That means in every case an assessee going out must get the certificate from the income-tax authority. I agree with some of the friends who have criticised it that this would cause very great hardship and the greatest care should be exercised that this kind of hardship is avoided. When they frame rules under clause (4), Government should see that only in exceptional cases this kind of restriction on the liberty of the individual is encountered and that in all other cases the procedure is smooth and not at all burdensome or irksome to the people. I think this is a matter which the Government should very seriously consider at the time of the framing of the rules. Even now, if any helpful amendment can be made to this section, I for one, would appeal to the Finance Minister to accept it.

As regards the question whether the Chairman should be a Judicial member or an Accountant Member, the Finance Minister said he would welcome an amendment which would not bar an Accountant member and that the provision should be that ordinarily the Chairman shall be a judicial member. That would imply that in exceptional cases the Chairman could be an accountant member. I am not one of those who are particularly prejudiced against accountant members or particularly fond of judicial members. No man is born as a judicial member or as an accountant member. It is a question of training and practice. At the initial stage, I suppose when the Tribunal is first set up, to preside over it and to bring to bear on it a certain sense of detachment and a perfect sense of judgment, it would be helpful to have a judicial member; but, when those judicial members and accountant members go on sitting day after day, and acquire experience, I do not see why an accountant member cannot pick up that much of judicial procedure and habit. I would not, therefore, bar an accountant member from becoming the Chairman, if he is found to be suitable. Without making any general reflection on judicial members I must say I have known some who are perhaps no better than—I will not put it stronger than that—some of the accountant members whom I know. Therefore, let us not bar this category or that category. Ordinarily, as I said, and at the commencement of a Tribunal, it would be helpful to have a judicial member as the Chairman; but, if later on, experience shows that an accountant member also is equally competent or more competent, let us not, merely because of some attachment to some particular dogma, bar an accountant member from becoming the Chairman.

There is another point which I would like to submit for the consideration of the Finance Minister because I really feel a little intrigued over it. It relates to the amendment of section 41, that is clause 3 of the Bill, and I am referring in particular to sub-section (3) on page 18. The sub-section reads:

> "Subject to the provisions of clause (c) of sub-section (1) of section 16, any income derived from property held under trust or other legal obligation wholly for religious or charitable purposes in so far as such income is applied or accumulated for application to such religious or charitable purposes as relate to anything done within the taxable territories ..."

I do not know whether the intention is that the application or the accumulation for application should be in respect of an existing matter only. Suppose an orphanage is to be started by a charitable institution and money is to be spent on that new orphanage; will it get the benefit of this clause. The words 'relate to anything done within the taxable territories' are rather intriguing. If they are merely meant to refer to a religious or charitable purpose within the taxable territory, that means inside the country and not outside it, then those words are not necessary. As the clause now stands money applied or accumulated for application only to an existing thing would get the benefit of the exemption. I do not know whether that is the intention. I would respectfully appeal to the Finance Minister to closely examine it and see that the intention of the section is not impaired, by ambiguity of language. Personally, I would support the proposition that it should be open to a charitable institution to spend its money not only on an existing charity but also on any future charity provided, of course, the charity is within the confines of this country and not outside. That is the point which I would appeal to the Finance Minister to examine.

Subject to these few remarks, I would wholeheartedly support the Bill as amended by the Select Committee. I think many of its irksome

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features have been remedied and I would appeal to the House also to accept it.

Shri T. N. Singh (Banaras Distt.—East): I have, not throughout the day but about a good part of the day, listened to the various speeches and I feel that this measure is just one of the first steps to be taken for a form of law which requires much change, several changes. Times have changed, our needs have changed and the whole Income-tax Act is so old that it requires modification in various directions.

Take for instance the system or the machinery of realisation of Income-tax. I feel that during the war the number of assessees increased considerably. The work of the Income-tax department also increased considerably. The staff, I am afraid, with all the best wishes and with all the energies they could put to this task, were found not fully equipped to meet the requirements. The Government have been compelled to recruit also in several cases in a hurry. In several cases, promotions have had to be made and I do not know whether all that has been conducive to strengthening the services of the Income-tax department. I am sure the Finance Minister is aware of these facts. While I think, the services have done a good job of the work so far, it is very necessary that they should be strengthened by a better class of men: more qualified men should be brought in, if possible, because we have had to recruit men in a hurry. That fact has also to be realised. With this increasing stress in the country on the necessity of realising as much as possible through direct taxation, the Income-Tax Department requires to be strengthened, and the Act requires to be modified and reformed to meet the needs of the situation. Tax evasion is common not only in this country but it is to be found in almost every country, and with time and experience, the methods of evasion have increased.

I do not know whether we have yet been able to devise suitable methods to deal with this menace. My hon. friend from Bengal pleaded very vehemently for the separation of the judiciary from the executive in regard to appellate questions. I think the approach was wrong. In the Income-Tax Department, a certain assessment is made and a liability is cast on the assessee. He should always have an opportunity to represent and talk the matter over with the party which has assessed him. If we make it entirely judicial, people will be guided by the rules and not by the capacity of the tax-payer. An appellate court of a quasi-judicial nature affords an opportunity to discuss things on the level of practicability. Supposing a business has got certain credits with another party, he does not at once go to a law court. The debtor and creditor try to discuss things and see that as much money as possible is realised. After all, the assessment of income-tax is mostly done at the clerical level to start with. You must provide for a stage where the assessor and the assessee can discuss things on a higher leval than the one at which the preliminary assessment was made and see whether a *via media* is possible. That system has worked very well in other countries. So, it is not a question of the separation of the judiciary at all. That is my view, and I consider that the issue brought in by Mr. Chatterjee is extraneous.

There is one point on which I feel very strongly, namely, the question of the inspectorate staff. This staff has grown up during and after the war. Its necessity has been felt because of the increasing number of cases of tax-evasion and the various complex methods adopted by the assessees to evade income-tax. I think every section of the House is unanimously of opinion that the tax-evader does make money in all sorts of fashions. There is plenty of money lying even today with people—cash, notes etc.—despite the demonetization of one hundred rupee notes and various other steps, and this is black market money. In regard to the Income-tax Investigation Commission, I am sorry to say that we had great expectations, but they have not been fulfilled. No doubt, the Commission has brought out a very valuable report dealing with certain very intricate and important cases, but we find that time is marching and the money that these tax-evaders had is being frittered away. Who is the loser? The State, which is in dire need of money. It is taking to deficit financing and a sort of indirect burden is being placed not only upon ourselves but upon future generations. I think the whole House is unanimous that no quarter should be given to people who by their evasive methods, throw the burden on the entire nation in this fashion. I feel that the inspectorate

staff, and the investigation staff—one section of it—require strengthening. I was sorry to find from this report that the directions which this staff will have to give to the income-tax officers will form the subject-matter of discussion before the tribunals or appellate courts. This does not give a fair chance to this staff to do its work properly. I do not know why the Select Committee at all deleted Section 4(b). Information comes to the people concerned in the Income-Tax Department. Some of it may be slightly inaccurate or unfounded, but they go into it cautiously. If their method of investigation and obtaining information is now subjected to a discussion before an appellate tribunal it will hamper their work and crack the procedure and style they adopt. Therefore, I think that this step has been retrograde. It may be said that this staff has too free a hand. If that is the only reason, every step should be taken and can be taken soon to strengthen this staff and increase its efficiency. We have not heard any complaints—at least, I have not—that this staff oversteps its limits and harasses people. On the other hand, my complaint is that the staff is overcautious. There is definite information, but it cannot go ahead due to obvious limitations in the law. Take an agriculturist who is subjected to levies. He has to supply every type of information to the settlement officer and there is no objection to forcing it from him. But here, if an income-tax officer calls for information from an assessee as to his various sources of income, his total income etc. or if he wants to look into his bank account, he cannot do so. In the fields in the villages, the whole thing is an open book. In the course of my work in the P.A.C. I came across many shady concerns. I wanted to know as to what was the position in regard to their Income-tax payments. I was told that I could not ask. That is an information which is so confidential that it exceeeds, in the nature of its confidence, even all the other highly confidential documents of the Government which are placed before the Public Accounts Committee! Are we not protecting such people? I have come across definite cases where I know and I have ample evidence to show that those firms are shady firms. Their whole transaction is subject to a great deal of suspicion; not only suspicion, they are dishonest. I am prepared to say that. Yet we cannot get that information.

A Committee of this august House, this sovereign Parliament, cannot get that information. They are so much protected. Yet there are people here who, I am sorry to see are prepared to protect the great capitalist or the great money*wallah* to any extent. No voice was raised, no voice has been raised before or after or today, when all sorts of information is demanded from the poor agriculturist when his assessment is made for rent or anything; no question is raised. There is no question of confidence in his case. But here they intervene and we cannot get the information in trying to find out whether a particular firm or concern is dishonest, shady or undesirable.

That is why in the very beginning I said that the whole Income-tax Act needs a great deal of modification. Times have changed. Methods of tax evasion have changed considerably. People who deal in this are clever, cleverer than the Income-tax Department of the Government.

Not only that. I am sorry to say that retired Income-tax officers are allowed to function as advisers of business firms in order to tell them what Government can do and what it cannot do and just protect them. I wish there were some law to prevent that. All the Government secrets are available today through the retired officials to the businessmen. But their secrets are not available to the Government. That is the tragedy of the situation.

Therefore in this respect I humbly suggest that the Income-tax Act, as our friend Mr. V. P. Nayar said, requires a great deal of change. And the Government are committed to bringing out the necessary changes at an early date. I hope the Finance Ministry will be coming soon with the necessary modifications in the law.

Then I will come to the next point, namely about charitable institutions. Much has been said by certain persons that they should be exempt and that the new change made is undesirable. It is all right on the face of it. I feel also that charitable institutions should be treated on a different level. They have been so treated in certain cases, and they are not entirely on a par with the other people even in this measure. But there are certain things of which I have information. I know of trusts whose moneys have been employed for acquiring business concerns or con-

[Shri T. N. Singh]

cerns worth crores. (*Shri K. K. Basu*: Disclose their names). And I want to know whether in the name of charitable trusts we shall allow all this to go on. (*An Hon. Member*: No.) If that is not so, then I think the change made here is desirable and nobody need have any objection on that point. As a matter of fact, even the clause as it is worded today in this Bill will probably have to be changed by experience. That is my view. Because with regard to charitable trusts I know—it is a question of generations—in the name of charitable trusts a number of things are being done. We have got those *dharmadas*. God knows, but after the businessman actually becomes bankrupt or insolvent, the *dharmada* comes back as capital money to him in some other way. I know of several cases of such nature. Therefore we have to be very cautious.

As I said in the very beginning, the methods of evasion of Income-tax have become so varied and complex that they require very close study and the law has to be modified in every detail. I also admit the danger of making our law too complicated, because it may lead to certain abuses. We do not want that. At the same time, taking the law as a whole, let us see how many people will actually be affected, in the real sense of the term, who may have a possible grievance.

The ordinary man who has got fixed incomes, the lower middle-class and the middle-class,—probably the lower middle-class will not be affected—does not come in for much trouble because of this Act. A few thousands will remain who will be affected. I cannot understand the concern expressed that they must get absolute justice, that we should not only be just but appear to be just. Now, that is a formula which is likely to be abused, I must say. Because the benefit of doubt at times extends so far that ninetynine per cent. of the culprits escape and only one percent is caught hold of. So we must keep a balance about these things.

That is my humble request to the House, that in any change that has been made and that we consider we should keep the paramount necessity of tapping this source, namely of Income-tax, which is a direct tax, which is a desirable tax and which is very necessary for all the plans and projects that we have in view, and therefore no quarter need be given. Not only that, I think it is the duty of the Income-tax payers to see that they pay their taxes honestly without any attempts at evasion and rather contribute it willingly so that the country might go ahead. If the country goes ahead then their business also will go ahead.

One thing more I want to say and I will conclude, and that is about foreign capital. Unfortunately I do not find myself in complete agreement with what Mr. Nayar said It has been our sad experience that capital here has almost been on strike I may say. They have not co-operated. If they will not invest, if they will not come forward with their enterprise—because they want so many concessions and they almost dictate to Government "if you do this or if you do that then only we shall invest money"—if capital has become shy, all right, there is the other capital which has not become shy. What is the harm in taking it? After all they will come in our country and we will have the final control, this House will have the final control as to how they function. If they function in an anti-national way, this country, this Government and this House will have every right to step in at any minute, at the shortest possible notice and deal with them drastically. That being so, I see no reason why we should not welcome it. I would prefer it out of sheer disgust at the way our planning, our industries are suffering and have suffered because some people are shy, some people are nervous and create all sorts of nervousness unnecessarily. Why not welcome the other capital and offer them the same facilities? I think that is the right move and the right answer to all these capitalists.

Mr. Deputy-Speaker: The Finance Minister will reply to the debate day after tomorrow.

The House then adjourned till a Quarter Past Eight of the Clock on Friday, the 24th April, 1953.